FINANCIAL TIMES

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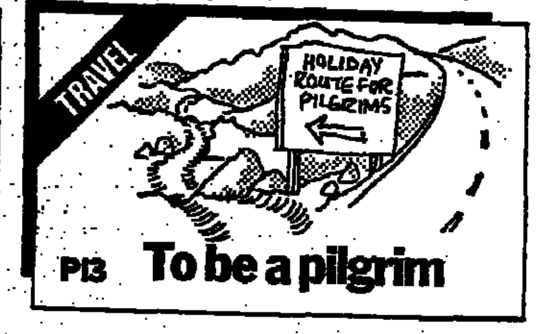

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WORLD NEWS

Heathrow blast injures 12

At least 12 people were hurt last night when a suspected bomb exploded at Heathrow airport. Passengers scattered in panic when the blast erupted in the European arrivals section at Terminal 2.

Libya gives response over embassy siege

Libya yesterday delivered a secret response to Britain's terms for lifting the police siege on the Libyan Embassy in London.

The Foreign Office said the Libyan Foreign Minister, Dr Ali Abdel-Salam al-Tureiki, conveyed the response at a second meeting with the British Ambassador, Mr Oliver Miles, in Tripoli. Page 3

Easter flights hit and traffic jams roads

Traffic clogged roads in many parts of Britain yesterday after a spate of accidents. Easter holidaymakers trying to get to Spain and Portugal were delayed by a French air traffic controllers dispute in Bordeaux. Some of Europe's worst road chaos was in Spain, where more than 60 people have been killed and about 100 seriously injured since the Easter holiday began on April 13.

Missile halt demanded

The Warsaw Pact in a strongly-worded communique demanded a halt to the Nato missile deployment and said the bloc's members insisted the programme be stopper before any nuclear arms reduction talks could be resumed.

Gemayel returns

President Gemayel of Lebanon returned to Beirut from Damascus after talks with President Assad of Syria during which the two leaders are understood to have reached tentative agreement on a new political structure for Lebanon. Page 2

IRA bomb golf club

The Provisional IRA claimed responsibility for planting bombs which caused extensive damage at the Warrenpoint Golf Club, near Newry, Co. Down.

Anti-nuclear protest

West German police turned water cannon on demonstrators outside a U.S. military barracks near Bremen, injuring six, as the country's anti-nuclear movement began an Easter weekend of protests.

Pope's call rejected

Israel swiftly rejected the Pope's call for an internationally guaranteed status for Jerusalem and a Palestinian homeland.

French steel demos

French police fired teargas at steelworkers demonstrating against governments plans for job cuts in a bid to clear a main road in the Ardennes. Earlier workers in the steel town of Longwy damaged railway lines.

Lord Bishopston dies

Lord Bishopston, Labour life peer and aircraft designer, who was one of the early engineers on Concorde, has died on holiday in Devon aged 63.

Soviet wolf cull begins

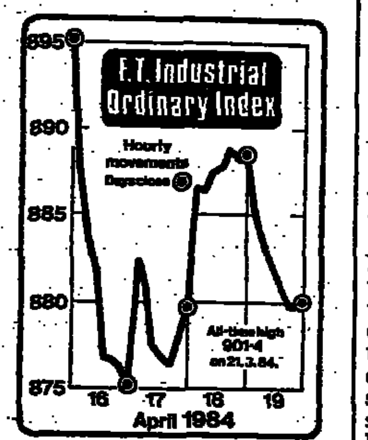
Tass reported that hunters had launched an official wolf cull across the Soviet Union.

BUSINESS SUMMARY

U.S. growth rate surges to 8.3%

U.S. ECONOMY grew by a real annual rate of 8.3 per cent in the first quarter, helped by a surge in stock building. However, economists are predicting a significant easing of the pace in the second quarter. Back Page

UK CONSUMER spending fell by 1 per cent in the first three months of the year, the first drop since the beginning of 1982. Back Page



EQUITIES: there was an uncertain atmosphere in London markets throughout the last session before the long weekend. Thursday's moves in the miners' dispute exerted fresh downward pressure. The FT Industrial Ordinary index closed 8.6 down at 880.0 and this week has given up more than 15 points of the previous week's 30-point rise. Page 26; Week In The Markets, Page 8

BANCO AMBROSIANO: settlement of claims worth $600m (£423m) against the defunct bank now appears close. Back Page

FRENCH engineering group Creusot-Loire has asked its Government for about FFr 3bn (£260m) in a bid to stave off bankruptcy. Back Page

DUNLOP, with net losses more than doubled last year to £166m, is negotiating with Sumitomo of Japan the sale of most of its car tyre making operations at Fort Dunlop. Page 3; Results, Page 20. Michelin of France plans to reduce its workforce by nearly 5,000 by the end of next year. Page 2. Goodyear of the U.S. more than doubled its first quarter net income to $111.8m (£78.8m). Page 21

MERCHANT BANKS are near agreement with the Council for the Securities Industry on how they should disclose shareholdings in publicly quoted companies. Page 3

LLOYD'S underwriting group is in dispute with underwriting agent Laurence Phillips over large losses which hit an aviation insurance syndicate. Page 3

TEXAS INSTRUMENTS of Dallas reported a surge in first quarter earnings to $79.8m (£56.3m) from $7.1m a year ago, reflecting higher sales and the positive impact of pulling out of home computers. Page 21

Financial Times

The share and unit trust price information on pages 28-31 and the FT-Actuaries table on page 26 refer to Wednesday's business. They were not adjusted on Thursday because of an industrial dispute.

The Financial Times will not be published on Easter Monday. The next issue will be on Tuesday.

Notts and Midlands miners' leaders support strike call

BY JOHN LLOYD AND DAVID BRINDLE

THE National Union of Mineworkers' strike — now officially declared national and centrally controlled from the union's Sheffield headquarters — has gained support from the leadership of its two most dissident areas and is already set to involve another powerful group of workers.

The area councils of Nottinghamshire and the Midlands yesterday came out in support of the decision by Thursday's NUM special delegate conference to "support the 80 per cent who are already on strike."

Mr Peter Heathfield, the NUM general secretary, told a 1,200 strong crowd of Welsh miners that the dispute had been taken "by the scruff of the neck" and would now involve all mineworkers.

However, the small South Derbyshire area has refused to tell its members—most of whom have been working—to observe the call. Mr Ken Toon, the area secretary, said: "We don't agree that we should instruct our people to go out on strike in defiance of their own ballot decision."

The impact of the call from the delegates conference will only be known on Wednesday, when most pits in the Midlands and Nottinghamshire areas return from the Easter break. The National Coal Board claimed that all 25 of the Notts pits worked normally yesterday except for Harworth, which was on holiday, and Gedling, where maintenance work was carried on.

Striking Notts miners attending the rally in Sheffield on Thursday were confident of using Notts pickerts to close down the coalfield—but the NCB's area managers appear equally confident that the bulk of the area's mineworkers will continue to cross picket lines.

The dockworkers, who rank with the miners among the country's most industrially powerful groups, have warned of a stoppage in the docks if any dockers are laid off for refusing to handle coal.

Mr John Connally, national secretary of the Transport and General Workers Union dock trades group, said after a group committee meeting on Thursday: "If any of our members are paid off by a port employer for supporting the miners we will call an immediate national dock strike." That threat could be tested as soon as Monday, when the Liberian ship Hastings docks at Hunterston in the Clyde with a 65,000 tonne cargo of U.S. coke for the Ravenscraig steel plant. The 27 TGWU dockers in the port have blacked the cargo, and the Clyde Port Authority said yesterday that "it is certainly a possibility" that they could be laid off next week.

Tensions are running high among dockers, and a small incident could spark a large dispute. The docks committee also warned of strike action in the event of the National Dock Labour Scheme being terminated—as the Government has hinted—and if a private container base is built at Falmouth, in Cornwall.

Mr Arthur Scargill, NUM president, has spoken of other groups of workers becoming involved in the miners' dispute. After the delegate conference on Thursday, he called for picketing at "associated and non-associated industries, and said that he would be approaching other union leaders for support.

He hinted broadly that any attempt by the Government to use troops to move coal would result in a call for a general strike.

Mr Scargill, and his fellow national officers, Mr Heathfield and Mr Mick McGahey, the vice president, have assumed full control of the strike under the terms of the successful motion passed on Thursday which called for "future deployment of picketing, requests for solidarity action . . . (to) be co-ordinated by the national office."

The leadership plans a broadly based campaign to take its message on pit closures and jobs to all the coalfields and the wider public. Mr Scargill sees the miners now as the vanguard of militant opposition to the Government, and has warned: "We are not involved in playing a game here. We are involved in fighting for the future of this industry."

This is likely to mean immediate problems for the steel industry, where the special arrangements to supply coke to Ravenscraig, Scunthorpe and the South Wales plants of Llanwern and Port Talbot seem likely to be ended.

The West Midlands foundries are also likely to be running short of supplies, as are many industrial coal users and domestic users.

Mr Neil Kinnock, the Labour leader, betrayed some unhappiness with the dispute when he admitted during a television interview that had he been on the miners' executive he would have voted for a ballot.

Mr Ian MacGregor, NCB chairman, said the NUM conference decisions changed nothing, and that "this strike will only end on the basis of some realism on the part of our friends in Sheffield."

The Institute of Directors, in a criticism likely to be heard more frequently as the strike moves into a higher gear, accused the NUM of mounting a direct challenge to the rule of law.

Overture to a strike Page 6

U.S. owner faces $2bn claim over Amoco Cadiz

BY WILLIAM HALL IN NEW YORK

Standard Oil Company (Indiana), the fourth biggest U.S. oil company, has been judged largely responsible by the U.S. federal court for the loss of the Amoco Cadiz supertanker in 1978. The company now faces claims for as much as $2bn (£1.4bn) for polluting more than 100 miles of the Brittany coast, although the eventual payment is expected to be below the amount claimed.

The court severely censured the U.S. oil company which owned the 109,700 gross registered tons tanker and opened the way for France to recover the cost of cleaning up the oil spill from what was regarded as the world's most serious tanker accident.

Maritime lawyers believe that the oil company's upper estimate of its liability of $150m for the clearing-up costs is on the low side. The damages which the French parties are seeking are seen as a bid to ensure that the disaster will be remembered as the costlist oil pollution settlement to date.

Traditionally damages for which ship owners are liable have been limited to the value of their vessel. Most previous pollution cases have been settled for sums of less than $10m.

The company in the Amoco Cadiz case carried pollution liability insurance of $50m in addition to coverage for loss of the cargo.

Standard Oil reaffirmed its view that any damages it might have to pay would not have a "material adverse impact" on the group. A final trial is expected to begin in the autumn.

The four-year-old Amoco Cadiz was regarded as one of the best equipped and operated very large crude carriers (VLCC) of its kind. It ran aground one mile off the Brittany coast late at night on March 16 1978, spilling its cargo of 226,000 tons of crude oil.

Since then lawyers have fought to determine responsibility and the extent of the damage. The series of law suits have been consolidated into a single case heard in Chicago. On Thursday judge Frank J. McGarr, of the Northern District Court of Illinois, handed down his opinion on the first part of the case, determining the liability of the parties involved.

He said that Standard Oil and its various subsidiaries were "jointly and severally liable," and that the French claimants and the cargo insurers were "entitled to the full extent of their incurred damages."

Judge McGarr has gone further than the Liberian investigation committee, in pinning blame for the wreck on Standard Oil.

The Liberian committee in 1980 concluded that while it had some criticism of the ship's management, it would not censure the owners.

The Judge said that Amoco International Oil Company (AIOC) the operator of the Amoco Cadiz, "negligently performed its duty to ensure that the Amoco Cadiz in general and its steering gear in particular were seaworthy, adequately maintained and in proper repair."

The judge dismissed claims that Bugsier, the West German tug operator, was at fault, but said that the oil company was entitled to damages against Astilleros, the Spanish shipyard which built the tanker, "to the extent that its own liability was contributed to by the negligence and fault of the shipbuilder."

Judge McGarr left open the question of whether the American Bureau of Shipping which supervised the construction of the Amoco Cadiz, and classified the ship, was in any way liable for damages.

Details of judgment, Page 3

Porsche GB expanding

By John Griffiths

PORSCHE CARS Great Britain is to build a £9m headquarters on the outskirts of Reading, Berkshire. Construction is to start in June.

The project will provide Porsche's UK importer with new administration facilities, triple its existing warehouse space and increase its workshops area by 50 per cent.

Porsche has increased its UK sales every year for almost the past decade and sold 3,333 cars in 1983. The new facility has the capacity to handle almost double this volume.

Hong Kong may keep high degree of autonomy, Howe says

BY ROBERT COTTRELL IN HONG KONG

BRITISH administration of Hong Kong will cease in 1997, the year in which Britain's 99-year lease over most of the territory expires, Sir Geoffrey Howe, the Foreign Secretary, said yesterday.

Sir Geoffrey said Britain was negotiating with China for a detailed agreement to restore Hong Kong to China but assure the territory a high degree of autonomy and continuation of its present way of life for at least 50 years after 1997.

Sir Geoffrey was making the first official British statement on the progress of the Sino-British negotiations about Hong Kong's future which began after Mrs Margaret Thatcher's visit to Peking in September 1982.

Formal diplomatic talks began in Peking last July, and are still continuing. Sir Geoffrey's remarks confirm the general picture of the negotiations which has already emerged officially and unofficially from China. Sir Geoffrey's statement followed two days of meetings with officials and community leaders in Hong Kong, and three days of meetings in Peking with politicians including Deng Xiaoping, the Chinese leader.

Reading from a prepared text, Sir Geoffrey said China had undertaken to place the administration of Hong Kong in the hands of local people after 1997. Accordingly, he said, during the remaining 13 years of British rule, "the Government of Hong Kong will be developed on increasingly representative lines."

Sir Geoffrey said that British and Chinese governments share a desire to see the continuation in Hong Kong of a society which enjoys its own economic and social systems and distinct way of life, and which offers a service to the world as an industrial, commercial and financial centre.

"Against that background it is possible to foresee a situation in which Hong Kong would, as part of China, enjoy a high degree of autonomy. In such a situation that autonomy would extend to administration, the making of laws, the maintenance of Hong Kong's own familiar system of justice, and responsibility for public order in the territory.

"Under such arrangements, the laws of Hong Kong, including the written and common law, would be based upon the present system. Existing freedoms would be maintained . . . Hong Kong would manage its own public finances, within which taxes levied in Hong Kong would, as now, be employed in Hong Kong for the benefit of Hong Kong people . . . Hong Kong's extensive and direct economic relationships with the world would continue . . . There would be a place for outside people, from Britain and elsewhere, to go on making a contribution to life in Hong Kong."

Sir Geoffrey cautioned that, while there was considerable common ground in British and Chinese objectives for Hong Kong, a full settlement was still under negotiation.

"Several points of substance," remain to be resolved. I cannot anticipate the details of an eventual agreement. We are working to a programme which takes account both of Chinese wishes and of all our own requirements. The agreement which is reached must be such that we can commend it to parliament," he said.

Parliament would also want to take into account the views of the people of Hong Kong on any proposed settlement. It would be for parliament, not negotiators, to approve an eventual cession of British sovereignty over Hong Kong," Sir Geoffrey added.

China has repeatedly said it wants a settlement by September. Sir Geoffrey refused to say whether that deadline still stood. However, analysts believe the two sides could in any case reach agreement by September, and possibly by August. Sir Geoffrey said it had still not been decided by what means the acceptability of a package would be measured in Hong Kong, but that a referendum was unlikely.

Background, Page 2

Variety of exports gain awards

BY JAMES McDONALD

PRODUCERS of "genetically improved" ducks for China, garbage vehicles for Hong Kong, stained glass domes for the Middle East and quality men's shoes for Italy are highlighted in this year's Queen's Awards for export achievement.

While the list is notable for showing the infinite variety of British exports of products and knowledge, the mainline of UK industry—producers such as ICI and General Electric Company—also feature.

The Financial Times, which has had three previous export awards, receives a fourth in this year's list.

A total of 88 awards has been made to British companies this year for export achievement, compared with 90 a year ago. The Queen has also made 23 awards to British companies for technological achievements—three more than in 1983. Among these winners are: Marks and Spencer (also an export award winner); Acorn Computers; British Aerospace; and Racal.

The export achievement awards have been chosen from a total of 709 applicants. There has been a considerable decline in applications for awards over the past seven years, from a peak of 1,601 in 1978. The number of awards, however, has not varied so much, with 107 awards for 1978, compared with 88 this year.

Government officials suggest that many applications in previous years were "nonsense" applications, which could not meet the criteria of the awards system.

An interesting export award is to Church and Company (Footwear) in Northampton. The British footwear industry has suffered from severe import penetration in recent years from low-cost products but Church, maintaining a high-quality and high-cost profile, managed to sell about £5m-worth of men's shoes abroad last year, with Italy a major market.

Details, Pages 4 and 5

MARKETS

DOLLAR

New York lunchtime:
DM 2.66475
FFr 8.1925
SwFr 2.2000
Y225.05
London:
DM 2.657 (2.649)
FFr 8.165 (8.1545)
SwFr 2.195 (2.194)
Y224.75 (224.85)
Trade weighted 127.8 (127.7)
Tokyo close Y224.95

U.S. LUNCHTIME RATES

Fed Funds 10⅛%
3-month Treasury Bills: 9.69%
Long Bond: 94⅛

GOLD

New York: Comex April latest $384.3
London: $385 ($378)

STERLING

New York lunchtime $1.4165
London: $1.4185 (1.418)
DM 3.77 (3.7575)
SwFr 3.115 (3.1125)
FFr 11.58 (11.56)
Y319 (319)
Trade weighted 79.9 (79.7)

LONDON MONEY

3-month interbank: mid rate 8⅞% (8⅞%)
3-month eligible bills: buying rate 8⅜% (8⅜)

STOCK INDICES

FT Ind Ord 880 (−8.6)
New York
DJ Ind Av 1,158.06 (+1.57)
Tokyo:
Nikkei Dow 10,803.88 (+20.84)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 8.00; Germany DM 2.20; Italy L1,100; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Eire 60p; Malta 60c.

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For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086

هكذا صدر الاصل

London siege stalemate continues

BY LISA WOOD

THE SEARCH for a way to end the stalemate at the Libyan People's Bureau in London continued yesterday despite the publicly stated positions of the British and the Libyans remaining far apart.

Further moves are expected soon to peacefully resolve the affair which erupted on Tuesday when a London policewoman was fatally shot.

Britain is publicly standing by its demand to search the building and question those inside. Libya has rejected this.

Mr Oliver Miles, Britain's ambassador in Tripoli, held a second round of talks yesterday with Dr Ali Abdel-Salam Al Tureiki of the Libyan Foreign Ministry. At the first meeting on Thursday Mr Miles is understood to have put Britain's demands.

The Foreign Office said after yesterday's talks: "Dr Tureiki conveyed a response to Mr Miles's points raised in yesterday evening's meeting. This is being considered. The discussions took place in a constructive atmosphere and both sides reaffirmed their wish to conclude matters in a peaceful way."

Before yesterday's second meeting Mr Miles said in a telephone interview on BBC Radio that he expected further moves soon aimed at ending the crisis.

Asked if he thought the Libyans were as anxious as Britain to get the situation back to normal, he replied: "That is certainly what he said to me."

Asked when he would expect a further move, he said: "I would say very soon."

The key issue is the question of diplomatic immunity. International rules bar Britain from searching without Libyan permission and diplomats are similarly safe from prosecution unless their government waives immunity.

Staff at the bureau have denied they have any plans to leave. A spokesman said: "Any rumours that we have indicated we shall be leaving soon are false. We are innocenwith false. We are innocent, we have not harmed anyone, nor broken any laws in this country. Today is a holy day and we plan to observe it."

Talks have been continuing with the staff. Scotland Yard said yesterday that it would not identify the people moving in and out of the building.

Despite diplomats in Tripoli describing talks between the two parties to be cordial, diplomatic observers have stressed that Colonel Muammer Gadaffi, the Libyan leader, is in charge of Libyan policy. Therefore it would be some time before it is known how effective Thursday's talks have been.

In a live interview on American television, Col Gadaffi said earlier this week that the British police were responsible for the death of WPC Yvonne Fletcher

He said: "British forces must withdraw immediately and release our people there, nothing else."

Col Gadaffi in the interview broadcast on BBC Television, said: "We are waiting for the British Government, how it can carry its responsibility and release our people, and to solve this problem peacefully and friendly."

The handling of the siege is not being taken over by Mrs Thatcher, the Prime Minister, from Mr Leon Brittan, Home Secretary.

Weekend Briefs, Page 19

Merchant banks near deal on disclosure of shareholdings

BY JOHN MOORE, CITY CORRESPONDENT

THE Council for the Securities Industry and the Accepting Houses Committee, representing a group of leading merchant banks, are near agreement on how merchant banks should disclose shareholdings built up through funds managed by the banks, in publicly-quoted companies.

The council, one of the City's regulatory bodies, has been trying to force the merchant banks to disclose shareholdings in companies if those holdings total more than 15 per cent.

It has been trying to enforce its acquisition rules. These require that an investor whose holding of a company's shares reaches 15 per cent must reveal this and accept restrictions on the rate at which the stake can be added to.

The council says merchant bank's discretionary funds under management should disclose their collective holdings if they total more than 15 per cent and that the curb rules should apply.

The banks say that individually the funds' shareholdings would be small, incapable of influence and therefore should not be disclosed.

The committee seems set to agree to the council's demands, subject to specific terms being drafted on funds under management in countries having tough confidentiality and secrecy requirements on clients' accounts.

The council's proposals could include specific measures to deal with merchant banks' offshore subsidiaries which manage funds.

The gas fields 'named' by Exxon

Exxon map gives clue to gas field development

By Dominic Lawson

A MAP in the annual report of Exxon, the world's largest oil company, has caused confusion and some embarrassment to its UK subsidiary Esso, and its North Sea partner Shell.

The map, showing Exxon's interests in Europe, names two gas accumulations in the southern North Sea, as Filey and Felixstowe. The trouble is that the public naming of the fields was news not only to Exxon's shareholders, but also to the Shell/Esso North Sea partnership, which had previously described the areas only in geographic terms as the Sole Pit.

The move by Exxon has caused speculation that the fields are heading for speedy development. They are thought to contain up to two trillion (million million) cu ft of gas.

However, Shell which would operate the fields, said yesterday there was as yet no firm development plan. Nevertheless it had had fair encouragement during last year's drilling in the area, and hoped to exploit the fields in due course.

Another Shell/Esso project, the Sean gas field, is expected to get a development approval from the Department of Energy very soon after Easter.

In recent months the main North Sea gas producers have announced a series of proposed gas developments. Last month both BP and Conoco outlined plans to develop eight gas fields, which could contain the equivalent of 15 per cent of proven UK gas reserves.

These announcements are significant in the light of British Gas's provisional agreement to buy £20bn of gas from Norway's Sleipner field in the 1990's. British Gas believes UK demand for gas at that time cannot be met from UK production alone.

The Government is examining the Sleipner deal, and the BP announcement to develop four fields, even before it had negotiated a price with British Gas, was widely seen as an attempt to swing the public debate against Sleipner.

Dispute over losses at Lloyd's

BY JOHN MOORE,

A GROUP of Lloyd's underwriting members is in dispute with Laurence Phillips, the underwriting agent, over large losses which hit an aviation insurance syndicate.

The matter is to go to arbitration inside Lloyd's, but Laurence Phillips has not yet agreed on a suitable arbitrator.

The group of 28 members belongs to syndicate 244 which lost money throughout its period of operations between 1975 and 1980. Members on the syndicate who had each insured £15,000 of business lost £29,698 and losses for the syndicate could have reached up to £4m.

However, not all the syndicate's members are party to the dispute. Members of the syndicate included Mr Richard Needham, Conservative MP for Chippenham, who left the Laurence Phillips agency.

Members who are not party to the dispute have made their own arrangements to meet the losses.

National Savings receipts pass Government's 1983-84 target

BY ERIC SHORT

TOTAL NET receipts from National Savings in the financial year 1983-84 reached £3.2bn, thanks to the popularity of the 26th issue of National Savings Certificates. Receipts in March amounted to £337.2m.

The target of £3bn set as the contribution from National Savings to the Public Sector Borrowing Requirement of £3bn was therefore comfortably exceeded.

Sales of the 26th issue amounted to about £1bn in the seven-month period they were available from August last year until last month. The yield of 8.25 per cent tax free offered by these certificates, if held for five years, was extremely attractive with inflation rates around 5 per cent, particularly for higher rate taxpayers.

Fixed interest National Savings Certificates account for half the total or £1.54bn in the year, including accrued interest. National Savings Income Bonds added another £1.06bn in the first full year since their launch, while the National Savings Bank Investment account provided a further £770m.

Index-linked National Savings Certificates remained unpopular with savers, in spite of the 2.4 per cent bonus last November and the further 2.4 per cent bonus due this November. Savers cashed in £890m of these certificates during the year, with strong selling taking place once the bonus had been paid. Savers bought only £180m of index-linked certificates during the year, highlighting their lack of popularity when inflation rates are comparatively low.

The Department of National Savings also announced that the maximum holding in the National Savings Bank Investment Account is to be reduced from £200,000 to £50,000 as from May 4, 1984. But customers above this limit on that day will not be required to reduce their investment to the new limit.

Dunlop tries to sell more plant to Sumitomo

By John Griffiths

DUNLOP, whose net loss more than doubled last year to £166m due mainly to tyre business write-offs, is negotiating the sale of most of its car tyre manufacturing operations at Fort Dunlop, its Birmingham headquarters, to Sumitomo of Japan.

These operations were not included under the agreement announced in September under which the Japanese car tyre maker will acquire the bulk of Dunlop's European tyre manufacturing and supply operations by the end of 1984.

If negotiations are concluded satisfactorily, they will mean that Dunlop will have virtually ended car tyre manufacturing in Europe by the end of this year. Sumitomo is already committed to acquiring Dunlop's two other UK factories and two in West Germany, and selling organisations in nine European countries.

At the same time Sumitomo agreed with the French government to acquire the tyre production facilities of Dunlop France which Dunlop put into receivership in October last year.

Dunlop may retain some tyre manufacturing capability at Fort Dunlop, including output of aviation tyres which come under a separate division.

National Tyre Service, Dunlop's UK tyre distribution company and its West German equivalent, Holert, are not included in the new deal with Sumitomo. However, when production has been transferred, the two sides will consider transfer of these operations.

In spite of the winding down of its European car operations, Dunlop remains a significant producer in North America, Africa and Asia—although one set of negotiations for partial disposal of its business in Malaysia has fallen through.

Dunlop's net loss, up from £80m in 1982, was attributable to a jump in extraordinary charges from £28m to £138m. Of this £115m was attributable to tyres—£52m to the Sumitomo deal, including a £12m provision for expected losses this year, £39m as a result of the French receivership, and £24m for other rationalisations, including the closure last year of its tyre plant at Cork.

The charges swallowed up a group pre-tax profit of £17m, compared with the £7m pre-tax loss in 1982.

At the operating level profits rose to £63m, from £41m. Sir Maurice Hodgson, Dunlop's chairman, said that 1984 should see the end of retrenchement and next year the beginning of selective expansion.

Overall results for this years' first quarter were showing a significant improvement over 1983

Protection board seeks funds

BY DAVID LASCELLES

THE DEPOSIT Protection Board, which exists to refund depositors at failed banks, is to seek new contributions from UK deposit-takers to replenish its fund, which has been drained by a series of pay-outs.

Mr Robin Leigh-Pemberton, Governor of the Bank of England and chairman of the board, says in his annual report today that resources are down to £1.5m. Permission has been received from the Treasury to restore this to £5m to £6m, and the board is calculating how much each institution should contribute.

The contribution will be based on the size of an institution's deposits over the next three months.

It is the first time the fund has passed the hat round since it was set up under the Banking Act in 1979. It pays out 75 per cent of a depositor's losses, to a maximum £7,500.

Mr Leigh-Pemberton says that the board had a liability of £3m from three failures last year, of which £1.5m had already been paid . hey were Trinity Trust and Savings, Goodwin Squires Securities and Chancellor Finance (UK). Since the end of the financial year St Martin-le-Grand Securities has become insolvent but since it had only one depositor the board's liability is only £7,500.

Broad money measure rises

BY PHILIP STEPHENS

STERLING M3, the targetted measure of broad money in the economy, grew by 1.3 per cent in March to give an increase over the previous 12 months of 9.8 per cent, final Bank of England figures show.

The relatively large monthly increase reflected a renewed upturn in Bank lending to £1.4bn, and a slowdown in the Government's sale of gilt-edged stock.

March was the first month of the new target period for the money supply and M3 is projected to rise by an annual 6 to 10 per cent in 1984-85.

The Bank said it is too early to assess the performance of the measure in relation to its new target period. But most City analysts believe that, on current trends, it is likely to show a growth rate at the top of the set range.

M0, the narrow measure targetted in the Budget as a guide to money available for transactions, expanded by 0.6 per cent in March, giving growth over 12 months of 5.7 per cent. Its target range for 1984-85 is 4 to 8 per cent.

U.S. dealer forecasts large Reliant market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

RELIANT COULD sell up to 200 three-wheel vehicles a month in the U.S., according to Mr Dan Levitan, a California motor distributor. This would provide a substantial boost for the Tamworth company, which last year turned out a total of 3,250 three-wheelers.

However, Reliant says it is not yet ready to break into the U.S. market. Mr Mike Bennett, marketing director, said: "We don't know what the legislation problems are in the U.S. but Mr Levitan knows the three wheeler market there."

Reliant has supplied two trhee-wheelers to Mr Levitan's company, Zoe Motors of Irvine, California, for evaluation, said Mr Bennett.

Letters of intent have been signed which give Zoe the right to buy and distribute the Reliants not only in the U.S. but also in Canada, Mexico, Australia and New Zealand.

Mr Levitan, who also founded the Dollar Rent-A-Car company, has pioneered three-wheel vehicles in the U.S. since he set up the Zoe company four years ago. He imported three-wheelers from Japan but found them too unreliable and so turned to Europe for supplies.

Apart from the Reliant models, Mr Levitan also expects to sell 400 a month of the three-wheel vehicles made by the Ligier company of Vichy, France. Ligier, which produces Formula One racing cars, supplies thousands of its canvas-covered three-wheel trucks to the French Post Office each year.

The Ligier vehicles use a 125 cc engine made by Darbi Motors in Italy. Reliant has its own 850 cc engine.

According to Mr Levitan, the U.S. Environmental Protection Agency and the Department of Transport are evaluating the Reliant and Ligier three-wheelers for road registration. He hopes they will be registered as motor cycles since EPA regulations for motor cycles are less stringent than those for cars.

In Britain, the Reliant models are treated by the authorities as "motor cycle with side car." Reliant supplied a Rialto three-door GLS and a Rialto van with left-hand-drive in the form usually exported to Austria and the Netherlands.

Mr Levitan expects to hear from the two U.S. authorities within 90 days. His company also has its own prototype three-wheeler under evaluation. The Zoe Zipper has an American-made body with imported chassis and engine.

Mr Levitan estimated that in the first full year of operations his company could sell 12,000 three-wheelers from Reliant, Ligier and its own production, rising to 25,000 in the second year and to at least 50,000 the following year.

He said Zoe had 80 dealers and four distributors waiting for vehicles, many of them dealers who are short of Japanese cars because of the restrictions imposed on shipments to the U.S.

"We have no problem signing dealers, we just need quality products for them to sell," he said. Zoe hopes eventually to have up to 250 dealers for the three-wheelers.

The three-wheelers, priced at between $3,500 (£2,460) and $6,000, will sell for half the price of four-wheeled vehicles. Mr Levitan said that six out of ten would be sold in van form. Another 15 to 20 per cent would be sold to disabled drivers and young people switching from mopeds, with others being used as commuter cars.

Columbus foundry quits site

By Nick Garnett
Northern Correspondent

COLUMBUS FOUNDRIES, the U.S. independent foundry company which took over a former Stone Platt site near Manchester one year ago with local authority financial aid, has quit the site after failing to secure expected business.

Columbus interest in the Platt Saco Lowell foundry prompted Bury Metropolitan Borough Council to purchase the whole Platt site, of which the foundry alone cost the council more than £400,000. The foundry was then leased to Columbus with no long-term lease commitment and the payments have now stopped.

Columbus, based in Georgia, and one of North America's biggest independent foundry companies, appeared to have few doubts that it could make a go of the base at Radcliffe, Bury.

This was despite the pressures which have closed more than 300 UK foundries in the past decade and reduced output of iron castings by two-thirds over the past 15 years.

Columbus found it far tougher than expected. The Radcliffe foundry, which was employing 40 last summer, had a capacity of 20,000 tonnes a year offering castings in ducktile, clay iron and aluminium.

Columbus began with jobbing work on low runs for Platt Saco Lowell's former customers. Its objective was to move into higher volume runs, especially for the automotive industry

It found it impossible however to secure customers in sufficient numbers and willing to pay Columbus prices. It also faced the prospect of investing more than £1m in the site which it decided could not be justified.

Investment cash flow is up by 11%

BY PHILIP STEPHENS

THE FLOW of funds into investment institutions rose by more than 11 per cent last year to £30bn, according to the Central Statistical Office.

The increase largely reflects increased purchases of unit trusts, additional payments for life assurance and pension funds, and a small rise in building society deposits.

There was also a rise in the CSO's residual item, used to measure the balance of the institutions' current and capital account.

By and large the extra cash was used by the institutions to buy more government securities, and to make further loans for house purchases. But investment in shares fell.

Overall, the flow of funds into building societies rose to £10.8bn last year from £10.5bn in 1982, pension and life assurance funds received £13.9bn, up from £12.8bn, and unit trusts £1.3bn, up from £0.4bn.

Bank borrowing by the institutions fell to £2.2bn from £2.6bn. The institutions' purchases of gilts rose to £6.6bn from £4.7bn, while loans for house purchases jumped to £11.2bn from £8.2bn.

UK 'tops drinks spending league'

BY LISA WOOD

BRITONS SPEND more on alcoholic and soft drinks than any other western Europeans says a report to be published this month by Euromonitor, the London-based research company.

In volume terms, however, Europe's drinks-consumption pattern is different. West Germans drink the most beer, per head consumption being 146 litres in 1982. Beer-consumption is high among Belgians and Danes, both significant beer-producing nations, says Euromonitor. The UK and Ireland hold fifth and sixth places.

Wine-consumption is highest in southern Europe, notably Italy, Portugal and France, and per-head consumption was more than 80 litres in 1982 in these markets. By comparison, UK consumption was 10 litres a head.

Euromonitor estimates spending on all drinks in the UK last year totalled $27.5bn out of total west European spending of $97.335 bn. By comparison spending was $23.200bn and $11.350bn in France.

The UK leads in spending on alcoholic drinks, accounting for more than 30 per cent of the entire European market.

Euromonitor said: "Consumption is strongly related to price and is low in Scandinavia where wine is most expensive.

"The apparent boom in sales of mineral waters in the UK clearly has a long way to go. Along with the Republic of Ireland, the UK has by far the lowest capital consumption of mineral water, and they drink 50 times as much in France and Germany."

Consumption of mineral waters in the UK in 1982 was one litre a head. In France it was 52 litres and in West Germany 48 litres.

The survey says the British and Irish consume the most tea but coffee consumption is highest in Finland. In absolute terms Finland, with a population less than a tenth the size of Britain's, actually has a larger coffee market.

Euromonitor does not believe European drinks - spending would rise in real terms in the foreseeable future.

The European Drinks Report 1984; Euromonitor Publications, 18, Doughty Street, London WC1N 9PN; £360.

Outlook for UK economy 'good'

By Our Economics Staff

BRITAIN CAN expect a continuing surplus on the current account of its balance of payments this year, while inflation will remain close to the present 5 per cent, according to a forecast from the ITEM club, a group of independent economists.

The club says that buoyant North Sea oil output and a substantial rise in income from overseas investments will offset an increase in imports.

The group predicts that the economy will expand by 3 per cent this year, in line with the Government's forecast, with the main impetus coming from consumer spending.

William Hall in New York on the 'admiralty case of the century' which has sent shockwaves through world shipping

Penetrating secrecy in the wake of Amoco Cadiz

IT IS more than six years since the Amoco Cadiz supertanker ran aground and broke up a mile off Brittany, polluting hundreds of miles of the French coastline. Till now, however, the authorities have hesitated about saying who was responsible.

There has been no dispute about the disaster's cause. At 09.45 hours Greenwich Mean Time on March 16 1978 the Amoco Cadiz's steering-gear failed in rough seas, 9½ miles north-west of the Isle of Ushant (Ile de Ouessant), off Brest.

Just after 9 pm the same day the ship ran aground. Over the next few days it spilled its entire cargo of 226,000 tonnes of crude oil in a maritime accident which sent shockwaves through France and the international shipping industry.

While the cause of the accident may be simple the ensuing legal battle to prove who must pay the billions of dollars in damages is proving one of the most complex actions in maritime history. Maritime lawyers have dubbed it the "admiralty case of the century."

The registered owner of the Amoco Cadiz was a Liberian company with headquarters in Bermuda and ultimately responsible to a huge U.S. corporation, Standard Oil Co (Indiana); the cargo was British, the shipbuilder Spanish, the tugboat sent to help the tanker German and the vessel ran aground in France.

The result has been a series of complex international lawsuits which have been consolidated into a single court action. This has been heard in the Eastern Division of the Northern District, Court of Illinois, in the presence of Judge Frank J. McGarr.

On Thursday he issued a 111-page opinion. This concluded that the French claimants and the cargo-insurers were "entitled to the full extent of their incurred damages" against Standard Oil Co. (Indiana), Amoco International Oil Company (AIOC), the operator of the Amoco Cadiz, and Amoco Transport, the vessel's owner. The judge said the three companies were "jointly and severally liable therefor."

He said Amoco was entitled to damages against Astilleros, the Spanish shipyard which built the Amoco Cadiz, "to the extent that its own liability was contributed to by the negligence and fault of the shipbuilder."

He denied all claims against Bugsier, the West German tug-operator, which failed to salvage the huge tanker as it drifted on to rocks.

In arriving at his decision Judge McGarr penetrated the veil of secrecy which surrounded Amoco's management of the tanker. His ruling goes much further than earlier investigations in pinning blame for the accident firstly on the shipowner and, secondly, on the shipyard.

Initially, the Master of the Amoco Cadiz, Captain Bardari, an Italian, appeared to be shouldering much of the blame for the tanker's grounding. The Liberian authorities — technically responsible for the Amoco Cadiz because it flew the Liberian flag — suspended his licence.

While they criticised some of Amoco's procedures, their Board of Inquiry said it was "not prepared to go so far as to censure the owners, and still less to suggest that the stranding and loss of the Amoco Cadiz was in any sense caused by any failure on their part."

Judge McGarr, however, pointed the finger firmly at the oil company and insisted that because of its negligence it could not seek the protection of the doctrine of limited liability which traditionally limits damages shipowners must pay.

Further, he ruled that the claimants could seek damages from the entire Standard Oil Co. (Indiana) group and not just from the small subsidiaries used to own and operate the vessel.

In a damning critique of how one of the world's biggest oil companies ran its supertanker fleet Judge McGarr concluded that AIOC, the operator, "negligently performed its duty to ensure that the Amoco Cadiz in general and its steering-gear in particular were seaworthy, adequately maintained and in proper repair."

He noted that AIOC "negligently performed its duty to ensure that the crew of the Amoco Cadiz was properly trained," and failed in its duty to ensure that the design and construction of the Amoco Cadiz was "properly carried out so as to result in a seaworthy vessel."

He said AIOC was negligent in operating the Amoco Cadiz without a redundant steering system or any other means of controlling the rudder in event of complete failure of the hydraulic steering system.

For these reasons AIOC was liable for damages resulting from the grounding. Because AIOC failed to make the vessel seaworthy before its last voyage from the Middle East to Rotterdam, the company "cannot limit its liability."

In arriving at his decision Judge McGarr outlined the history and operation of the Amoco Cadiz. These indicated there were problems with its steering-gear from the start which were not adequately comprehended or repaired.

In addition the oil company did not follow the maintenance instructions for the steering-gear, which ultimately caused the disaster.

Though the Amoco Cadiz was on charter to Shell International Oil, which required annual drydocking of the ship, AIOC unilaterally decided, before the ship was launched, to lengthen the drydocking interval "expressly for reasons of economy."

By January 1976 AIOC had decided that a time-chartered vessel like the Amoco Cadiz would only be drydocked every 2½ years in spite of rules by the U.S. Bureau of Shipping which required drydocking at least every two years. In addition AIOC decreased the number of days allotted for drydocking from 14 in 1974 to eight in 1976.

Amoco's own ships were drydocked every year but vessels like the Amoco Cadiz which were chartered to third parties were each drydocked once in four years only.

Shell, charterer of the Amoco Cadiz, complained to AIOC about the lack of drydocking. It was pressing the company for shipyarding and overhaul for ship's "safe and efficient operation."

Judge McGarr said it was "the deliberate policy of AIOC, during the period in which the Amoco Cadiz operated, to defer drydocking of the two VLCCs which were under time charter, the Amoco Cadiz and the Amoco Singapore, for reasons of economy in order to minimise the loss of charter-hire which would be incurred by taking them out of service during the charter period.'

Judge McGarr listed several areas where AIOC failed to maintain the steering-gear of the Amoco Cadiz properly. The company did not act to ensure that the filters on the steering-gear were cleaned according to the instruction manual: it did not act to ensure that the oil in the steering-gear was changed: it did not arrange to have samples of the hydraulic fluid analysed; it did not require that the ship's steering-gear system be purged to remove air. These were just some of the faults the U.S. judge listed.

In addition he faulted the company for accepting the ship from the Spanish shipyard with acknowledged defects in its steering-gear.

In particular the ship was delivered with cast-iron steering-gear ram bushings. It arranged to have bronze bushings installed on its own vessels and placed additional bushings on board the Amoco Cadiz. These were not installed.

He noted that Amoco Cadiz's steering-gear in the last four months of its life was losing seven to 12 litres of hydraulic fluid a day. This was "greatly in excess of what would occur with a properly maintained system."

The report said: "This excessive consumption was known to AIOC which, in the exercise of ordinary skill and prudence, should have recognised it as symptomatic of a progressive degradation of the system's reliability."

With both steering-gear pumps secured the Amoco Cadiz and her sister-ships experienced as much as 15 degrees of rudder movement while in port.

"This fact was well known among AIOC engineers and should have signalled a serious malfunction of the two-sided restrain system of the Amoco Cadiz steering mechanism."

The unexplained rudder movement of the Amoco Cadiz was not properly investigated and was not corrected. AIOC failed to instruct the Amoco Cadiz crew in emergency steering-gear drills and procedures to be followed in the event of a steering-gear breakdown.

For many months after the disaster Amoco refused to answer questions about its side of the story. Judge McGarr's opinion, which the company says it might take to appeal, gives the first real explanation of how alleged poor management contributed to one of the worst maritime disasters in peacetime.

OVERSEAS NEWS

An air of finality in Hong Kong as Howe bows to the inevitable

BY ROBERT COTTRELL IN HONG KONG

SIR GEOFFREY HOWE, the Foreign Secretary, revealed nothing new in his Hong Kong statement yesterday. Most of it had already been said by China months ago. On the other hand, his remarks had the emotional impact of finality.

Britain was now committed publicly to leaving Hong Kong in 1997, returning the territory after 150 years to a socialist China whose lifestyle and values are radically different to Hong Kong's full-blooded capitalism.

"It is right for me to tell you now that it would not be relaistic to think of an agreement that provides for continued British administration in Hong Kong after 1997," Sir Geoffrey said. "For that reason, we have been concentrating on other ways of securing the assurances necessary for the continuity of Hong Kong's stability, prosperity and way of life."

The task now, he concluded, was for the two countries to reach a detailed agreement on all important aspects of Hong Kong's way of life, including a locally autonomous administration, so the transition could occur with as little disruption as possible.

Sir Geoffrey made his announcement, presumably not by accident, on the first morning of a four-day public holiday. When businessmen and investors return to work on Tuesday, they are likely to do so with divided minds.

In the very short-term, Hong Kong may be shaken by the news. In the longer term, some positive sentiment may be apparent. Reversion to China has, in theory at least, been regarded as inevitable by most investors for the past couple of years. Better, perhaps, that the terms of that transition should be tempered by Sino-British co-operation, than inflamed by disagreement.

Investors remember with apprehension the year following the September 1982 visit to Peking by Mrs Margaret Thatcher, the British Prime Minister, during which Britain tried to persuade China that a stable and prosperous Hong Kong meant a British-linked administration even after 1997. China's public anger at this opposition provoked *nerve-wracking instability in Hong Kong's* financial markets, culminating in the collapse of the Hong Kong dollar in September 1983.

Soon afterwards, Britain stopped arguing its own line and concentrated instead on clarifying China's plans for a locally autonomous Hong Kong administration. China's public *pronouncements became rapidly* less caustic; the Hong Kong dollar was saved by monetary reforms. For the past six months, both the dollar and the stock market have been relatively resilient.

Regular meetings began in Peking between British and Chinese diplomats in July 1983, to work out the details of a settlement for Hong Kong. The talks *have so far gone through* 12 rounds and a 13th takes place on April 27-28. While the talks are supposedly confidential, China has regularly leaked details of its own negotiating objectives.

China has promised that post-1997 Hong Kong will enjoy a capitalist way of life: non-interference from Peking in its administration; a convertible currency; freeport status; civil liberties; its own legislative machinery.

Britain may be assumed to be in broad agreement with those points. Sir Geoffrey also spoke yesterday of preserving Hong Kong's fiscal autonomy after 1997—that Hong Kong taxes should be employed in Hong Kong. He expected that Hong Kong could keep its present place in world trading agreements, of which by far the most important is the multi-fibre arrangement, which allocates export quotas to garment-manufacturing countries in the developing world. He emphasised the desirability of preserving Hong Kong's present legal system.

Critics in Hong Kong—including some within the Hong Kong Government—are worried, however, that the seemingly-attractive future now being offered Hong Kong by Britain and China is based solely on Chinese assurances, unsupported by guarantees or sanctions.

Britain's hope is that a public formal, detailed agreement between Britain and China will prove binding enough to stay China's hand from interfering with Hong Kong's autonomy after 1997 but, asked what Britain could do if China did interfere, Sir Geoffrey could only suggest yesterday that it could "raise a complaint."

It is also far from clear whether China will commit itself to as detailed an agreement as Britain might like. Its recent attitude has been that the basic law for Hong Kong will arise from consultation with Hong Kong people, while negotiations with Britain are aimed at ending British sovereignty and administration.

It now seems likely that Britain and China will reach some form of agreement in August or September: China is not known to have withdrawn *its deadline for a settlement by* September at the latest.

Sir Geoffrey's three-day visit to Peking earlier this week was aimed at reviewing areas of agreement reached so far in the regular diplomatic negotiations and discussing how to reach agreement on outstanding problems.

PATTERN OF THE COLONY'S HISTORY UNDER BRITAIN

1841: China cedes Honk Kong island to Britain after first Opium War.

1860: Following renewed hostilities, China cedes Kowloon peninsula opposite Hong Kong island, giving Britain control over Hong Kong harbour.

1898: Britain gains 99-year lease on the New Territories hinterland which expires on June 30, 1997.

1940: The end of a period in **which Hong Kong thrived as an emigration and trading centre for mainland China. *The population had grown* from 33,000 in 1851 to 1.6m in 1939. (It is now 5.5m.)**

1941: Japan invades and occupies Hong Kong until 1945, when Britain re-establishes control.

1949: Chinese Communists take over mainland, but Liberation *Army ordered not to cross* into Hong Kong. About 75,000 Chinese flee to the Colony.

1950s: Korean War brings UN *trade embargo against China,* forcing Hong Kong to expand into manufacturing. China maintains that the three treaties ceding Hong Kong to Britain are "unequal."

1972: China announces at the UN that it regards Hong Kong as part of its territory.

1979: Deng Xiaoping, the Chinese leader, says investors should "put their hearts at ease."

1982: Mrs Margaret Thatcher, *the British Prime Minister,* visits Peking to begin formal talks on the Colony's future. China says it will announce unilateral plans if there is no agreement by September 1984. It says that, when it takes over, the territory will be run as a special administrative zone locally administered by Hong Kong.

Michelin to cut workforce by 5,000

By Paul Betts in Paris

MICHELIN, the troubled French tyre company and the country's second largest private enterprise, has told its labour unions it plans to reduce its French workforce by nearly 5,000 people before the end of next year.

The decision comes at a time when the world's second largest tyre manufacturer after Goodyear continues to be plagued by losses. Michelin lost FFr 4.1bn (£355m) in 1982, including FFr 1.65bn from its French operations which employ 46,000 people. The company is expected to report another heavy deficit for last year.

Michelin's latest labour cuts are lower than what the trade unions had anticipated. The unions expected Michelin to seek between 6,000-7,000 job cuts.

However, they expect the tyre group to announce a further round of job cuts at some later stage. They claim that Michelin considers there is an excess of about *9,000 jobs* in the company's French operations.

Michelin said it would try to avoid making redundancies in its latest plans to cut its French labour force by 4,920 people. The company said about 3,900 jobs would be lost by early retirement.

Like other major French groups, Michelin will try to encourage immigrant workers to return to their homelands by offering financial incentives. The company will also seek to cut jobs by encouraging workers to retrain for other jobs.

The Michelin job cuts are the latest in a series of painful restructurings in key French in*dustries including steel and the* automobile sector.

In the case of the car sector, the labour unions are organising a series of major protests *against the job reduction plans* by both the Citroen and Renault car groups.

French coalition split shelved

BY DAVID HOUSEGO IN PARIS

THE THREATENED split between the Socialist and Communist partners in the French coalition Government has been temporarily shelved by the Communists' decision to back the government in a vote of confidence in the National Assembly.

But the strains between the two parties have been further exacerbated by the Communists' indication during the debate that they had no intention of abandoning their criticism of government policy.

The vote had been sought by M Pierre Mauroy, the Prime Minister, in an effort to bring the Communists to heel. It only served to show how deep the differences now are between the two parties over industrial and economic policy.

Winding up the debate for the Communist group, M Guy Hermier angered the Socialists by making clear that in spite of their vote, the Communists had precious little confidence in the government.

The French trade deficit reached nearly FFr 13bn (£) in the first quarter of this year and will probably rise to between FFr 15bn and FFr 20bn over the year, according to the independent OFCE economic institute.

This compares with a recently revised Trade Ministry forecast of a FFr 20bn to FFr 25bn deficit over the year after a FFr 42.25bn deficit last year.

Inflation, which fell to a provisional 8.6 per cent in March, should continue to decline and reach an average of about 5 per cent next year and 5 per cent to 6 per cent in the years up to 1988, said the institute.

He declared that M Mauroy had "far from removed our anxieties over the major problems of unemployment, wages and industrial policy."

M Hermier regretted that the Prime Minister remained "deaf" to the Communists' proposals for a "constructive dialogue" on the basis of the Communists' own solutions.

A further test of strength between the two parties yesterday seemed inevitable. M Jean Poperen, the number two in the Socialist party, said that if the Communists continued as before, the consequences would be "infinitely more serious."

M Serge July, the influential editor of the daily Libération, commented this morning that the breach between Socialists and Communists had already taken place and that all that remained was to settle the manner and timing of the final break.

The Government's need to exert discipline is all the greater because the left-wing Ceres faction of the Socialist party has also taken up the cudgels. It has called for an extraordinary congress of the Socialist party on the grounds that the government's policy has failed and no longer corresponds to party objectives.

M Mauroy, in his speech in the Assembly debate, combined a conciliatory approach to the Communists with a warning to them that there would be no change in policy. The Prime Minister did not allow them the consolation of thinking this was a temporary phase but warned of further painful decisions in the automobile industry.

For their part, the Communists yielded no ground either. M Hermier declared that the right-wing parties, while in power, had also believed that there was surplus capacity in the steel and coal industry and in the shipyards. But their policies had weakened the economy, not strengthened it, he declared.

Nigeria introduces exchange control rule

LAGOS—Nigeria's military *government* has introduced tough exchange-control regulations which make it illegal for anyone in Nigeria to make any payment to a person resident *outside the country.*

According to the Opecna news agency, the decree also forbids any payment to, or for, the credit of any person in Nigeria by order, or on behalf of, a person resident outside the country.

The new law, contained in a federal government gazette *dated April 6 but just released* here, has been made retroactive from October, 1979.

According to the Exchange Control (Anti-Sabotage) Decree *1984, it is also unlawful* for anyone to make any payment in respect of any loan, bank overdraft or other credit facilities outside Nigeria or to place any sum to the credit of any person outside Nigeria.

AP

Move towards power sharing in Lebanon

BY OUR MIDDLE EAST STAFF

PRESIDENT Amin Gemayel of Lebanon returned to Beirut yesterday after 11 hours of talks with President Hafez al-Assad of Syria, during which the two leaders are understood to have reached tentative agreement on a new political structure for Lebanon.

Further contacts with sectarian leaders will be needed before the plan can be completed. But, according to reports from Damascus, the two Presidents agreed on an equal power-sharing formula for the Lebanese Parliament with Moslems and Christians each providing 65 members. In the present 99-member Parliament the Christian have a 6-5 majority.

There is also understood to be provision for two deputy Prime Ministers. These are said to be Mr Walid Jumblatt, who heads the Druze faction and will be responsible for security matters, and Mr Nabih Berri, leader of the Shia Moslems, who will be in charge of the economy.

Mr Rashid Karami, who has strong Syrian sympathies, is being tipped as the most likely Prime Minister to replace Mr Shafiq Wazzan.

Agreement in principle is also said to have been reached on a new command structure for the Lebanese Army which will reflect the country's sectarian character.

As Mr Gemayel returned to Beirut, Lebanese police and army conscripts were moving into position in an attempt to separate the militias along the "Green line" which divides the Moslem and Christian halves of the capital.

A military spokesman said that over 1,500 men were being deployed and they would take up 32 posts along the "Green line." Only scattered outbreaks of shooting were heard during the day, but it was not clear whether all the militias were willingly vacating their positions.

Mr Jumblatt and Mr Berri are expected to travel to Damascus shortly to discuss the new constitutional plans and yesterday's efforts to secure a more durable ceasefire in Beirut.

Moscow reacts coolly to arms control offer

BY PATRICK BLUM IN VIENNA AND ANTHONY ROBINSON

THE SOVIET UNION and its Warsaw Pact allies have reacted coolly to two Western arms control initiatives, one aimed at breaking the 10-year stalemate in European conventional force reduction talks, the other at achieving a ban on chemical weapons.

In Vienna Mr Andrei Stepanov, the Soviet spokesman at the Mutual and Balanced Force Reduction (MBFR) talks said that new Nato proposals, which offer a compromise solution to the long-standing dispute over the number of Warsaw Pact troops, "were not a satisfactory response to the package of constructive proposals submitted by the Socialist countries last year."

The Soviet side did not reject the proposals outright, however, and Mr Stepanov said that the Warsaw Pact would study them closely.

Speaking for the West, Mr Thomas Hammond, the Canadian Ambassador to the talks, said the Nato proposals, tabled on Thursday, aimed at "breaking the log-jam in Vienna" with new ideas.

"This initiative represents a *substantial change in the* Western position. It alters the Western requirement for formal agreement on the precise numbers of all Eastern *military personnel in central* Europe before Western reduction," he said.

On data, the proposals dropped Western insistence on *an agreement on the numbers* of all forces in the area in favour of an exchange of data on only a portion of the ground forces of both sides: the combat and combat support forces.

This leaves out service support forces and air forces. Until now, MBFR negotiations have been bedevilled by Nato insistence that the Warsaw Pact has 180,000 more troops in Central Europe than it has admitted.

The new Nato proposals would allow both sides "the opportunity to table official figures in a wholly new way, with no direct connection with figures tabled earlier in the negotiations. This would facilitate a successful data exchange," Mr Hammond said.

Meanwhile, in Moscow, the Soviet news agency Tass strongly criticised new U.S. proposals for a chemical weapons ban put forward by Mr George Bush, the U.S. Vice-President at the 40-nation UN disarmament conference in Geneva.

Mr Bush said that the new U.S. plan introduced entirely new concepts aimed at "overcoming the thorny question of verification."

● Mr Nguyen Co Thach, the Vietnamese Foreign Minister, confirmed at a Hanoi Press conference that Soviet troops had taken part in manoeuvres on Vietnamese soil for the first time by staging an amphibious landing about 100 miles south of the port city of Haiphong earlier this week.

According to U.S. intelligence officials in Washington, about 500 Soviet naval marines landed south of Haiphong last Sunday from the 14,000-ton Soviet amphibious assault ship, Ivan Rogov.

Cyprus to seek UN Security Council talks

THE Cyprus Government yesterday decided to request a meeting of the United Nations Security Council to demand implementation of previous UN resolutions calling for the withdrawal of the Turkish-Cypriot unilateral declaration of a breakaway state in the north of the island, our Nicosia Correspondent reports

The decision was taken at a four-hour meeting of Greek Cypriot political leaders chaired by President Kyprianou. It followed a reply given by the Turkish-Cypriot side to the latest peace proposal by Sr Perez de Cuellar, UN Secretary General, which a government official described as "amounting to a Turkish demand for the break-up of the Cyprus state."

President Kyprianou and other Greek-Cypriot political leaders will go to New York next week to present their case to the Security Council, the official said.

Brazil's leaders hope to block presidential poll bid

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE Brazilian Government hopes to frustrate next Wednesday's scheduled vote in congress on a key opposition Bill to introduce immediate direct elections to the Presidency.

Sr Carlos Atila, Presidential spokesman, said the Government was sure that the officially-backed Partido Democratico Social (PDS) would boycott the session and thus deny congress a quorum for the constitution amendment debate.

This appears to be the latest step in a new carrot-and-stick strategy aimed at defusing the growing national campaign for presidential elections this year.

On Monday, President Jaoa Figueiredo offered to reintroduce direct elections in 1988. He followed up his conciliatory announcement two days later by imposing stern emergency measures on Brasilia, administered by the army.

The first flashpoint could come today with a planned demonstration in Brasilia—in defiance of the ban on public gatherings—by 1,500 town mayors and municipal officials from all over the country.

But the ring of soldiers around the Federal District, blocking all access roads to the capital appears, for the moment, to have deterred the many coachloads of other demonstrators planning to descend on Brasilia in the days leading up to Wednesday's debate.

For 60 days, public gatherings have been banned in Brasilia and two surrounding towns, and the army has been given the power of detention without trial, and censorship.

This is the second time in six months that the federal capital has found itself subject to the authority of Gen Newton Cruz, the regional army commander —a noted hard-liner.

Sr Ulysses Guimaraes, the veteran opposition leader who heads the Partido do Movimento Democratico Brasiliero, the main opposition grouping, reacted vehemently to the emergency measures. Their imposition was "a brutal, unilateral act," he said.

U.S. decision poses threat to Brazilian steel exports

BY STEWART FLEMING IN WASHINGTON

IF THE U.S. International Trade Commission finds that steel imports from Brazil and Argentina are injuring the U.S. industry, the Commerce Department has said it will impose countervailing duties in a move *which could cut Brazilian steel* exports out of the U.S. market.

The Commerce Department decision follows last year's decision by U.S. Steel, the largest U.S. steel producer, to file a series of unfair trade practice complaints against rising steel imports from developing countries. U.S. Steel maintained that the imports have been unfairly dumped and subsidised.

U.S. Steel has withdrawn its complaint against Mexico, following Mexico's announcement that it would voluntarily restrain exports to the U.S. But it has pursued the cases against Argentina and Brazil.

The Commerce Department said that in the case of Brazil, whose exports to the U.S. in the products covered by the complaint have tripled to $100m (*£71.42m*) in the past two years, subsidies to the Brazilian steel industry totalled 36.96 per cent. Assuming the ITC finds injury and no alternative settlement is *arrived at, Brazilian steel would* face duties similar to the amount of subsidy in future.

In the case of Argentina, countervailing duties of 5.42 per cent will be imposed with immediate effect as Argentina is not a signatory of the General Agreement on Tariffs and Trade

The decisions are a bitter blow to the countries which are struggling to redirect their economies to cope with debt service problems caused by excessive international borrowing.

The Reagan Administration hopes that its tough administration of U.S. trade laws will help to ease protectionist pressures in Congress, *where a steel quota* Bill is gathering support.

Italy has biggest deficit for a year

ITALY had its biggest monthly balance of payments deficit for more than a year last month, amounting to L1952bn (£850m), James Buxton reports from Rome. This brings the overall payments deficit for the first three months of 1984 to L3252bn, against a deficit of L2128bn in the equivalent period of 1983.

The size of the March deficit is partly attributed to the economic recovery now underway, which necessitates substantial imports of raw materials and processing equipment for conversion into imports.

Last year, Italy achieved a rough equilibrium in its balance of payments current account, after several years of deficits. Because of the Italian economy's propensity to import, the current account is not expected to improve much this year, compared with 1983.

Rebel Soviet coal miner dies

BY ANTHONY ROBINSON

MR ALEXEI NIKITIN, a former Soviet coal mining engineer who spent more than a decade in various Soviet psychiatric hospitals after seeking to improve working conditions for coalminers in the Donetsk basin, has died of stomach cancer, six weeks after his release from Talgar psychiatric hospital, according to reliable reports from Moscow.

The incident which first led to incarceration and forcible treatment by personality deforming drugs took place in December 1969 when Mr Nikitin led a delegation of workers to the director of the Butovka about non-payment of bonuses for complusory Sunday working.

This protest led to his dismissal, then lengthy and frus*trated efforts to secure re*instatement followed by incarceration in the Dnepropetrovsk criminal psychiatric hospital where he and other inmates were "treated" with drugs including sulfizine, a powerful behaviour modification drug which causes agonising convulsions.

After his release in 1980 he was examined by a Kharkov psychiatrist, Dr Anatoly Koryagin and pronounced sane.

For his pains Dr Koryagin cerated in a psychiatric hospital. He is now serving a seven year jail sentence to be followed by five years internal exile.

Mr Nikitin was last arrested on December 12 1981, when he was drugged and forcibly taken from his home only three days after taking Western correspondents to see working and living conditions at the Butovka mine.

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1984

The Queen's Awards
FOR EXPORTS AND TECHNOLOGY

Ducks to Peking—the variety that adds spice to Britain's export life

BY JAMES McDONALD

DUCKS TO Peking, the Financial Times to 149 countries, Lake District slate to Texas by the container load and stained glass domes to the Middle East are among the many exports which have won 88 British companies this year's Queen's Awards for Export Achievement.

It is difficult to find any change in trend in the British export successes except in their variety. Such mainliners in UK industry as the General Electric Company and Imperial Chemical Industries continue to win awards through their various subsidiary companies or divisions and Marks & Spencer, the chain store, has won not only an export award but an award for technological achievement.

There is an impression—but no more than that since the awards are based on a three-year evaluation—that remaining traditional British industries, including engineering, ceramics and even footwear and textiles, are becoming more successful in the export field after the four-year recession.

British commercial television also receives an award—to Thames Television International for its success in exporting the Benny Hill, Rumpole of the Bailey and Minder programmes among others, with an export income last year of £18m.

The British footwear industry has been depressed for some years, with considerable import penetration. But Church & Company (Footwear), in Northampton, at the upper end of the market has won an export award. About two-thirds of the company's men's shoes go abroad, about £5m worth last year.

The General Electric Company has now notched up a total of 60 Queen's Awards since the scheme began in 1966. Two of the four awards this year go, in the export section, to the Frimley division of Marconi Space and Defence Systems and to Ruston Diesels. Technology award achievements go to two divisions of the English Electric Valve Company—the Gas Tubes division and the Magnetron department.

Four divisions of Imperial Chemical Industries have won export awards, bringing the total achieved by the organisation to 46 for export or technological innovation. ICI's export total last year amounted to over £1.8bn and the latest awards are for products including heart drugs, plastics, general chemicals and non-woven fibres.

Three of the ICI awards go to the company's biggest manufacturing divisions: petrochemicals and plastics; Mond; and pharmaceuticals.

The fourth goes to a subsidiary of ICI Fibres Division, Camtex Fabrics of Workington, Cumbria, which has less than 100 employees. This company almost trebled its exports, to over £3m, in the last three years and it specialises in non-woven fabrics penetrating such difficult markets as the U.S., Japan, Taiwan and Korea.

Commenting on the awards, Mr John Harvey-Jones, chairman of ICI, said: "The whole team shares in what has been a notable contribution to improving Britain's balance of payments."

Vosper Hovermarine, of Southampton, part of the Vosper group, wins an award for its export of hoverships. It is the only UK manufacturer of surface ships and almost all its output is exported.

Over 100 Vosper craft are now operating in 29 countries, with 34 in use in Hong Kong. Export figures have risen from £3m, in 1981 to £17m, last year.

Exports of equipment and of know-how go together in many trades and this is the case with Hestair Eagle, in Warwick—a subsidiary of Hestair—which manufactures garbage collection vehicles, vacuum tankers and road sweepers. Export earnings rose from £1m, in 1981 to £5¾m last year. Hong Kong is the company's biggest market for garbage collection, in intense competition with Japanese suppliers.

Where it is inappropriate to export its garbage trucks, Hestair supplies its know-how for manufacture under licence abroad.

Another award for export of British know-how, goes to British Electricity International, the consultancy service of the industry. The organisation gives consultancy services to 35 countries.

Export earnings rose from £2m in 1976 to over £20m last year and it is involved in major projects in Saudi Arabia, Hong Kong, India and Zimbabwe.

This year there are 88 awards to British firms for export achievement, compared with 90 last year, while the number of awards for technological achievement has risen to 23, compared with 20 in 1983.

There has been a considerable drop in the number of applications for export awards since the peak of 1,601 in 1978 to the latest total of 709 applicants for the 1984 awards. Officials suggest that in previous years there were a number of "nonsense" applications, which could not meet the criteria of the awards system.

The Financial Times gains its fourth export award. Part of the S. Pearson and Son group, the newspaper obtains its foreign earnings mainly from the Financial Times newspaper and associated publications and from the organisation of business conferences and the dissemination of business information.

This latest award recognises the foreign earnings resulting from its increased overseas' circulation and demand for its associated services, gained as a result of the setting-up of a production centre in Frankfurt, West Germany.

Cherry Valley Farms, part of the Nickerson Group, wins an award for its duck exports with the value last year totalling £6m, and 10 per cent of this amount representing duck exports to China.

The company has a 10-year contract to supply breeding stock and "know how" to China to set up duck farms for its "genetically improved" ducks.

As a side-line, ducks' feet and tongues are exported to Hong Kong, where they are regarded as a delicacy.

Burlington Slate, a Cumbrian quarrying company, gains an award for exports, mainly to the U.S., with a total of slate exports this year expected to reach £1.6m. The company, with 170 employees, has a sales office in Dallas, Texas, where Lake District slates are highly regarded for up-market flooring, cladding and roofing.

In the service industries, the Ove Arup Partnership, with 2,000 employees in Britain, wins an award. It provides consultancy services for buildings and major civil engineering works and its overseas earnings for the UK trebled between 1981 and 1983.

Jaguar Cars, part of BL, wins its first export award, with exports totalling £300m last year compared with £200m in 1982. Of just over 22,000 cars exported last year, 15,600 went to the U.S. About 75 per cent of Jaguar production goes abroad.

Scotch whisky makers are seldom absent from the export award lists and this year it is the turn of John Dewar and Sons, part of the Distillers group. It is Dewar's 6th award and Dewar's White Label is now the top selling brand of Scotch in the U.S. market, says Mr D. W. Small, the managing director.

Every Queen's Awards list gives examples of how British manufacturers succeed in selling coals to Newcastle. In addition to ducks to Peking, another award goes to a small company which exports stained glass domes, mainly to the Middle East.

Goddard and Gibbs Studios, in London, specialises in designing, making and installing stained glass windows, domes and rooflights and, with 41 employees, its exports have risen from £200,000 to £1m over the past three years.

Bovis International, part of the P & O Group, wins an award for its success in the competitive overseas construction and civil engineering market. The company is involved in 41 projects in nine countries.

AWARDS FOR EXPORT ACHIEVEMENTS

ACF (Great Britain)	Valve, well-head equipment
Aluminium Powder	Powders for explosives, chemical industry
Amchem	Electrodischarge machinery centres
Ove Arup Partnership	Building and civil engineering consultants
Aston Martin Lagonda	Motor vehicles
The Beecham Products Overseas Branch of Beecham Group	Toiletries, drinks, medicines
Binnie and Partners	*Water engineering consultants*
Biwater Treatment	Water treatment plant
Bovis International	Construction management
The Dynamics Group of British Aerospace	Guided weapons, satellites
British Airways Engine Overhaul	Aircraft engine repair
British Electricity International	Electricity supply consultants
M Brody	Fancy fabrics and braids
Bronx Engineering Holdings	Metal forming and processing equipment
Brymor	Vinyl wallcoverings
Burlington Slate	Natural slate
Caledonian Airmotive	Gas turbine engine overhaul
Camtex Fabrics	Non-woven fabrics
Cherry Valley Farms	Ducks, and by-products
Church (Footwear)	Shoes
The Cummins Daventry Division of *Cummins Engine*	Diesel engines and components
The Royal Ordnance Factories of the Ministry of Defence	Military equipment
John Dewar and Sons	Whisky
Alan Dick	Broadcast antenna systems
Dunsford Wesley	Men's clothing
Edendeck	Audio processing systems
Elco Power Plant	Electric generating sets
Environmental Resources	Energy and waste consultants
The Financial Times	Newspaper, conferences, business information
GB Textiles	Leisure and underwear
Glenfrome Engineering	Coachwork conversion
Goddard and Gibbs Studios	Stained glass windows
Harper and Tunstall	Drawing office equipment
Hepco Slide Systems	Machine control systems
Hestair Eagle	Municipal vehicles
Horsell Graphic Industries	Printing industry equipment
IML Air Couriers	Express parcel services
Impalloy	Protection equipment
The Mond Division of Imperial Chemical Industries	Chemicals
The Petrochemicals and Plastics Division of Imperial Chemical Industries	Plastics and petrochemicals
The Pharmaceuticals Division of Imperial Chemical Industries	Pharmaceuticals
International Aeradio	Communications
Invertron Simulated Systems	Military training simulators
JCB Materials Handling	Loaders
Jaguar Cars	Cars
Jenner Fenton Slade	Insurance brokers
James Keiller	Preserves, marmalade
King Taudevin and Gregson (Holdings)	Glassworks, furnace builders
Lasgo Exports	Gramophone records, cassettes
Littelfuse Olvis	*Automotive fuses*
John Lobb	Shoes
A M Lock	Metal detection systems
The Frimley Unit of Marconi Space and Defence Systems	Military control equipment
Marks & Spencer	Retailers
Marshall Cavendish Services	Plastic binders
Jim Marshall (Products)	Amplification equipment
Merrol Fire Protection Engineers	Fire protection
The Neath Industrial Components Unit of Metal Box	Components for packaging
Micro Focus	*Microcomputer software*
L G Mouchel and Partners	Consulting engineers
Needle Industries (Sheffield)	Surgical products
The Equipment Division of Pafra	Packaging, printing equipment
Pirelli Construction	*Construction engineers*
Plessey Radar	Radar systems
Portex	Plastic medical devices
Prescot Rod Rollers	Copper rods
Purification Products	Absorbent materials
Ruston Diesels	Diesel engines
The Weston Simfire Division of Schlumberger Electronics (UK)	Weapon simulators
Schwitzer Household Manufacturing	*Turbochargers*
James Scott (Electrical Transmission)	Power transmissions
The Missile Systems Division of Short Brothers	Guided weapons, armoured vehicles
Skeltonhall	Process and control equipment
The McEvoy Division of Smith International (North Sea)	Valves
Soundout Laboratories	Audio mixing consoles
Spritebrand	Scaffolding
Steimo	Concrete production plant
Stroud Riley Drummond	Fabrics
Tenneco Organics	Chemicals, flame retardants
Thames Television International	*TV franchise*
Tilemen	Chimneys
Titus International	Fasteners for furniture
ULG Consultants	Agriculture consultants
United Scientific Instruments	Electronics, precision equipment
Vetco Offshore	Subsea drilling equipment
Vosper Hovermarine	Hoverships
Joseph Walker	Shortbread
Wimpol	Offshore survey services

Her Majesty the Queen has made 88 awards to British companies for export achievement this year and 23 for technological achievement.

1984

Traditional industries transformed by computer technology innovations

BY RAYMOND SNODDY

WINNING A Queen's Award for Technology has raised the temperature at **Planer Products**—but only a little.

The small Sunbury-on-Thames company specialises in the freezing of embryos with liquid nitrogen for longer term cold storage.

Microprocessor controlled freezing equipment produced by Planer Products was used to freeze the embryo in Australia for what is claimed as the first baby to be born from a frozen embryo.

The company, however, won its award for its Animal Embryo Freezer which is used mainly for transporting cattle embryos all over the world for implanting in host mothers.

Frozen embryos can be transported while still frozen at a fraction of the cost of live animals. Mr Geoffrey Planer, deputy chairman of Planer Products, says the growing embryo transfer industry "opens the way to dramatic improvements in breed quality of cattle in a single generation."

Embryos are obtained by artifically inseminating multiple ovulations and then frozen to minus 180°C. Using this method 19 calves have been obtained from two multiple ovulations of a single cow.

The Planer freezer relies on special microprocessor techniques to achieve the accurately controlled cooling programmes to get a high survival rate of embryos.

The company's freezers have been exported all over the world.

The microelectronics group, which employs around 70 people, also manufactures a range of medical programmes freezers. They are used in areas such as the freeze preservation of bone marrow in treating leukaemia and the freezing of blood constituents.

Awards for technology total 23 this year—the highest number since 1970.

They range from new methods of producing more accurate camshafts developed by **G. Clancey of Halesowen**, fungicides by **FBC of Cambridge** to control diseases in cereals and fruit to **Dowty Rotol**, Gloucester, developers of three and four bladed aircraft propellors for single and twin-engined aircraft.

There is a noticeable trend within the awards of the increasing penetration of microprocessors into traditional industries. Computers have helped to transform the hosiery and cellular fabric machinery produced by **Bentley Engineering of Leicester**.

Until recently each change of pattern for a sock manufacturing machine took a skilled mechanic one and a-half days.

The company's electronic pattern preparation system has cut the pattern change time to 15 minutes.

The mechanical pattern selector has been replaced by an electro-magnetic selector controlled by microcomputer and all the patterns are stored in the computer memory.

Another application of sophisticated computer technology to the textile industry has won a joint technology award for **Marks & Spencer** and **Instrumental Colour Systems of Newbury** for the development of an integrated colour technology system.

Mr Ismar Glasman, senior consultant in the Marks & Spencer textile technology department, says the company used quality and consistency of colour as a sales tool for years. "Work has been done on matching colours and making colours consistent under a number of artificial lights.

The main collaboration with Instrumental Colour Systems has led to objective standards of colour matching using single number colour specifications for every shade.

It is a coherent system which uses instruments to assess colours of textiles and pass or fail them on whether they fit defined tolerances.

Mr Ian Smart, technical director of Instrumental Colour Systems, explains that for the first time dyers and garment manufacturers are speaking the same language of colour.

Computer technology is also at the centre of an award for the more efficient production of drainage pipes and cable ducts by **Hepworth Iron of Stockbridge**, Sheffield.

A new roller kiln process has reduced the firing time for the vitrified clay drainage pipes from 36 hours to 1½ hours and, the company says, also produces a thinner and stronger pipe to be produced.

Mainstream computer companies have also won awards. **Acorn Computers of Cambridge** has won an award for the development of the BBC Microcomputer developed for the BBC's computer literacy programme.

The microcomputer monitor screen recommended by the BBC for use with the BBC Microcomputer has also won a technology award for **Microvitec of Bradford**, a company founded only four years ago but which already has an annual turnover of £9m.

Microvitec produces a microcomputer monitor which gives much better picture quality using television screens but is cheaper than existing high-performance monitors.

British Telecom's award comes for the development of Prestel, "the world's first, largest and most comprehensive viewdata network."

The award actually goes to the videotex section of BT's research laboratories at Martleshaw Heath and the Prestel executive.

Mr Frank Burgess, general manager of Prestel, said the award recognised the original development of viewdata and the continuing technical development.

GEC won two awards through its **English Electric Valve company**. The first was for linac magnetrons manufactured at Lincoln which are used all over the world for medical and industrial radiology.

The company estimates that 1m patients are treated every month by radio therapy using the magnetrons.

The second award was won by the hydrogen thyratrons manufactured at Chelmsford in Essex. The tubes are used in radar equipment and in linear accelerators for medical treatment and nondestructive testing. New forms of thyratrons have also had to be developed for driving lasers.

The defence industries were led into the battle for technology awards by **Sea Skua**, the sea-skimming anti-ship missile developed at Stevenage by the **Dynamics Group of British Aerospace**.

Sea Skua was just being introduced into service and had not been declared operational when the Task Force sailed to the south Atlantic.

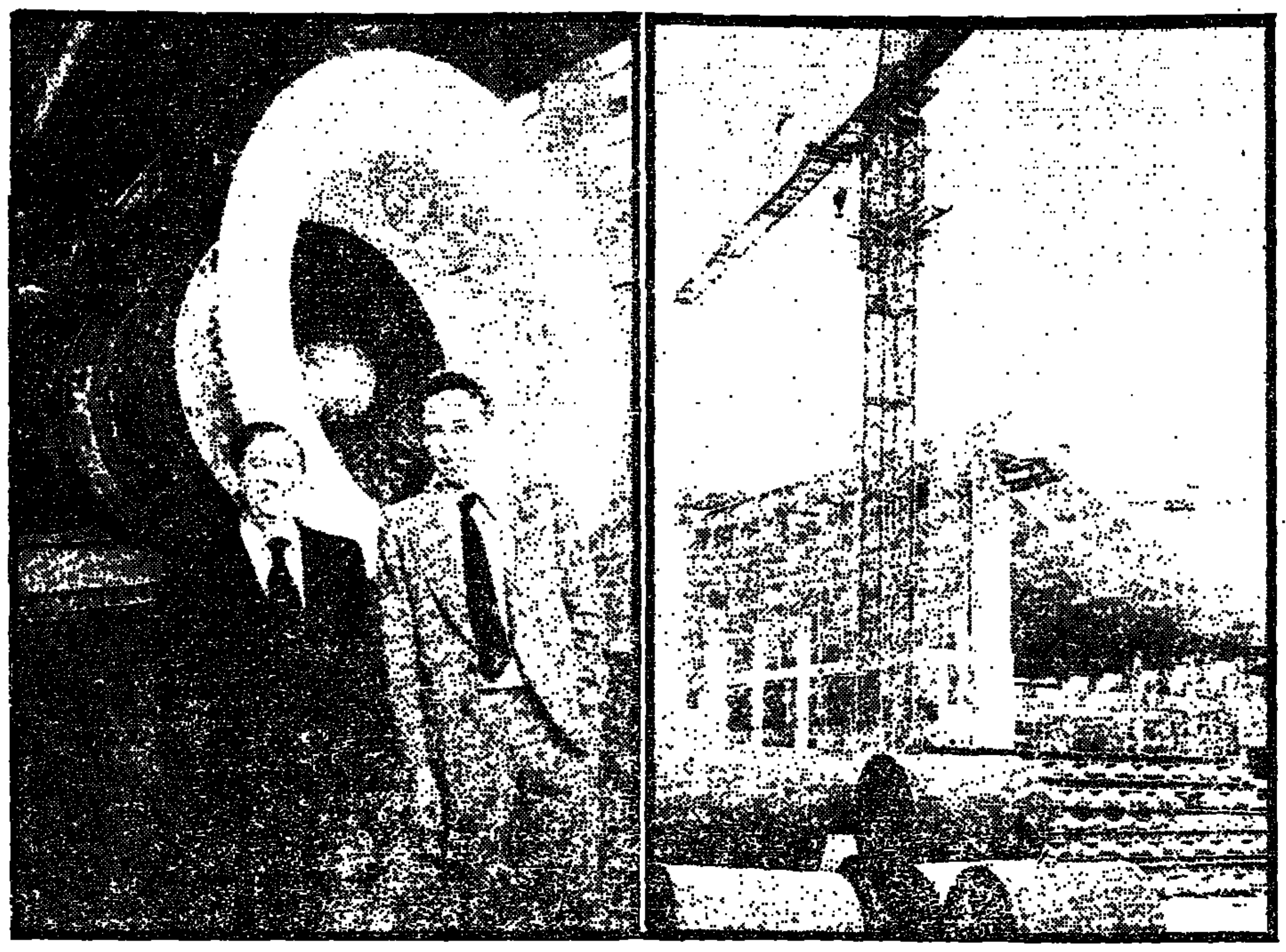
When it was used for the first time it sunk one Argentine patrol boat and cripped patrol boat and crippled another.

Solutions to some of the more pressing problems of waging electronic warfare won two awards for the **Racal Electronics Group**.

One went to Jaguar-V, the frequency hopping military radio which gives secure means of communication by avoiding intercepting and jamming by an enemy. This is achieved by changing the radio transmitter frequency in a pseudo-random manner many times a second.

Eighteen countries have placed orders worth £37m for the radio. The award went jointly to **British Communications Corporation of Wembley** and **Racal Research of Reading**, both Racal companies.

Racal Defence Electronics won its award for the Cutlass processor which collects data from radar emissions for aircraft, missiles or land-based forces and identified which are friendly or hostile.



Contrasts in Awards for Export Achievement: Caledonian Automotive's engine test cell at Prestwick with Sir Adam Thomson (left), chairman, and Mr Kevin Kellaway, managing director; and the National Assembly building in Kuwait City, under construction by Bovis International

AWARDS FOR TECHNOLOGICAL ACHIEVEMENTS

APV Hall Products	Refrigeration, air-conditioning
Acorn Computers	Microcomputer systems
Bentley Engineering	Hosiery machinery
The Stevenage Division of The Dynamics Group of British Aerospace	Defence systems, missiles
British Communications Corporation and Racal Research	Research and manufacture of military radio (both Racal companies)
The Videotex Section of BT Research Department and the Prestel Executive	Computer based information (both BT companies)
G. Clancey	Camshafts
Dowty Rotol	Aircraft propellers
The Gas Tube Division and Magnetron Department of English Electric Valve	Tubes for radar and medical uses (both GEC companies)
FBC	Fungicides, agricultural products
Leslie Hartridge	Test equipment
The Reseach and Development Department of Hepworth Iron Iron	Drainage systems
Instrumental Colour Systems and The Central Textile Technology Department and the Textile Group's Technology Departments of Marks & Spencer	Colour assessment instruments
Kaldair	Flaring, process combustion systems
Matthew Hall Mechancial and Electrical Engineers	Fire engineering, industrial installations
Microvitec	Microcomputer displays
The National Institute of Agricultural Engineering	Forage crop machinery
The Tensar Division of Netlon	Polymer grids
Planer Products	Animal embryo freezer
Racal Defence Electronics (Radar)	Warfare equipment
The Link Miles Division of Singer (UK)	Flight simulators

Overture to a strike as the miners call the tune

John Lloyd writes on the special delegate meeting in Sheffield

MR JOHN COATMAN, in his early 20s, works nearly naked in the stifling heat and low tunnels of Kent's Snowdown Colliery. Now on strike, he says: "Time is on our side—the longer we have to suffer the longer we'll make her (the Prime Minister) suffer."

It was that kind of day in the square beside Sheffield's City Hall last Thursday, as the National Union of Mineworkers' best and toughest demonstrated to each other that they had plenty of the right stuff.

Well organised until it tailed off into a few sporadic drunken fights, the rally outside the NUM special delegate meeting was carefully orchestrated into a fitting overture to a national strike.

But earlier in the day the orchestration had been conspicuous by its inappropriateness. Miners drifting into the square from 7 a.m. onwards were greeted with loudly amplified airport Muzak of the "Red Sails in the Sunset" type.

The conversation was not entirely geared to the struggle, either. A group of Fife mineworkers impressed comrades from other areas of the Scots coalfields with tales of the pornographic films they had watched on the coach video all the way down from Edinburgh.

"Ah hope it's no' on gaun back," said one. "Ah want ae get mah heid doon."

By 9 am the sound system was under control of the NUM headquarters, "Red Sails" was replaced by right-on songs like "Coats off for Britain Everyone," and Mr Malcolm Pitt, the Kent area president, had established his presence on stage.

Mr Pitt, burly and bearded in his late 30s, had written a lucid account of the 1972 strike ("The World on our Backs") and his opening comments set the tone for the rest of the day.

"We are now in the vanguard of the trade union movement . . . and I believe the movement will see us through to the greatest victory in the history of our class." Those in the union who wished a ballot on strike action did not want a strike, he said. "We will drown them in a sea of working-class action."

Mr George Bolton, the Scots' miners' vice-president, came on stage and peered through his heavily tinted glasses at the working class sea asking: "Wha wants a ballot, pit up yir hands. Ah'll ask the BBC and the ITV and the Press to count."

Not a hand went up. "Are ye counting? Are ye filming? Is there one?"

Delegates for the real vote began to appear in the square. Mr Jack Jones, the rock-faced Leicestershire leader, was bitter that a ballot had not been called. He walked alone and early to the doors of the hall, unrecognised until he got to the door, then slipping in as the first shouts of "scab" began.

The Welsh, Scots and Yorkshiremen came in as a group, greeting comrades.

Soon after 10 a.m. Mr Arthur Scargill's heavily-muscled bodyguard-cum-chauffeur led his president, Mr Peter Heathfield the general secretary and Mr Mick McGahey, the vice-president, in to the throng around the door.

Wedged between them were Mr Ray Chadburn, the Nottinghamshire president, Mr Henry Richardson, the area's general secretary, and Mr Trevor Bell, secretary of the white collar group, Cosa.

Mr Chadburn and Mr Bell had been targets of the fiercest abuse the week before—now they had the personal protection of the president and his bodyguard.

The delegate meeting began at 10.30 a.m., comprising some 130 delegates from every coalfield in Britain, seated in the wood-panelled hall in a semi-circle around the national officials.

Mr Scargill, in the chair, began the substantive proceedings by putting the ballot rule change to the conference. He argued that a reduction of the percentage vote needed for a strike from 55 to 50 per cent introduced a fuller democracy into the union.

Mr Roy Lynk, the Nottinghamshire area agent, opposed on the classic grounds that the higher figure gave a better chance of success. No-one else spoke—a card vote won the change by 183,000 to 59,000 against, the bulk of these latter votes being Notts.

Mr Heathfield, silver-haired and cool, gave a speech on "the situation in the industry"—80 per cent of mineworkers out of work, most pits stopped, most coal movement stopped.

Mr Scargill then called for the motions on the future of the dispute. There were five—four calling for a ballot and one calling for a continuation of the area strike action.

Mr Jones, now emerging as the main proponent of the ballot, moved his area's motion first, seconded by Mr Ken Toon of neighbouring South Derbyshire. His harsh, rough voice recalled the central importance of democracy in the union and the need to keep it sacrosanct.

Mr Bernard Donaghy, the Lancashire president and an opponent of Mr Scargill's for the national presidency two years before, moved his area's motion, with a formal second.

Mr Bob McSporran of the Power Group, seconded by Mr Idwal Morgan of the cokemen, moved his group's motion for a ballot; and Mr Bill Hetherington of the Durham Mechanics, again with a formal second, moved his complex motion calling for a ballot but explicitly sanctioning the continuation of area strikes if a national ballot went against.

Mr Jack Collins, the Kent secretary, looking more than ever like the square-jawed hero of a socialist realist painting, made a long-detailed speech in support of a long, detailed motion instructing the NUM to "call on all areas to join the 80 per cent who are already on strike and thereby ensure maximum unity in the union."

In order to have as much unity as possible, "future deployment of picketing, requests for solidarity action, criteria, shall be co-ordinated by the national office."

Mr Collins reproached Mr Jones for refusing the Kent men a hearing when they came to Leicester. He invited the Leicester men to Kent where they would be "treated as miners should be treated." And he told the conference that all miners must "stand like men," that no right existed to vote another man out of work.

Mr Scargill wound up—"very movingly," said one delegate afterwards — then Mr Jones briefly would up for his side, and the votes were taken.

Mr Jones' motion attracted near to the peak of pro-ballot support but it went down by 51/69. Lancashire's failed by a little less, 55/69; the Power Group's by 39/70 and the Durham Mechanics by 6/100. Kent's came through victorious, by 69/54.

Outside, the flow of speakers introduced by Mr Pitt had continued: among them Ms Clare Fraenzl; a mineworker from the Bethlehem mine near Pittsburgh, told the crowd that Mr Ian MacGregor, the Coal Board chairman, had been a director of the merchant bank Lazard Freres when its mines in Harland County, U.S., were involved in a bitter strike in the early 1970s.

A great roar erupted at 1.15 pm as Mr Scargill, Mr McGahey and Mr Heathfield struggled through the crowd. The word spread, "Rule change—no ballot," as they climbed on stage and faced the crowd, clapping it as it cheered them.

Mr Scargill read the Kent resolution and told the crowd they were "the first organised resistance to the Tory Government in five years." Mr MacGahey rasped: "I am confident we will defeat MacGregor and the Tories." Mr Heathfield focussed the action on the defence of "our jobs and our mining communities."

And then they were off the stage and the lads were off home or to the pub.

By evening, most had gone; but Mr Scargill sat up in his 10th floor office until 3 am, meeting members, taking calls, discussing and planning. Much will be decided between these four walls in coming weeks and months.

A confident Scargill assesses the damage

ARTHUR SCARGILL is confident. Talking to reporters after the delegate conference on Thursday—while the sirens wailed outside and police and miners fought pitched battles—the National Union of Mineworkers' president appeared relaxed, happy and at the height of his powers.

His confidence is, he says, solidly based. It is made up of these elements for all of which, he says, he has documentary proof, often furnished by a "mole" from within:

● The National Coal Board, the local authorities, the Central Electricity Generating Board and the Government have already lost well over £1bn;

● He says it has cost the NCB £330m as a direct consequence of the 18m tonnes lost through the overtime ban and the strikes;

● The policing of the dispute is costing the local authorities and the Government more than £2m a day, and already amounts to more than £70m.

● The CEGB's coal-fired stations, accounting for some three-quarters of its total, have at best nine weeks of coal left at current burns. This and other information on the CEGB has been supplied by a high-level "mole," and Mr Scargill believes it to accurate;

● The oil-fired stations are running at around 75 per cent of capacity, and rising; the extra cost of burning oil is some £15m a week (and rising, too);

● The nuclear stations are running flat out, and some have passed their scheduled maintenance dates.

Mr Scargill believes that the scale of "butchery" (as he calls it) is double that claimed by Mr Ian MacGregor, the NCB chairman.

Using internal NCB figures, he shows that the budgeted output for 1983-85 was over 105m tonnes. Thus Mr MacGregor's announcement last month that he would cut output to around 97m tonnes means a cut of 8m tonnes and not the 4m tonnes the NCB has claimed. That, Mr Scargill, believes, will further inflame miners once they grasp the consequences for jobs and pit closures.

He is very much in command of the action, and will soon be discussing with the leaders of other unions how best to broaden the dispute. "We shall remind the other unions that many of them are discussing wages (this includes the railmen) — we shall be saying their fight is out fight."

Attempts by the Government to move coal by using troops would, he hinted, be met with calls for a general strike. He would "immediately ask the trade union movement to respond in the only way I know how . . ."

Mr Scargill's figures and claims are disputed. The NCB reckons to have lost around £200m from its profit and loss account up to the end of March, but saved rather more than that in cash from saved wages. It says that only 101m tonnes was produced last year, thus the real cut is 4m tonnes.

The CEGB's nuclear stations must be inspected every two years under statutory provision, and the board claims it still has some 26 weeks left. Moreover, the winter has been a mild one: demand has dropped from 42,000 megawatts in December to 32,000 MWs on April 16—both comparatively low levels—and is continuing to drop sharply. Even now, after 43 days of an all-but national strike, the board has considerably more than the 12.3m tonnes with which it began the 50-day national strike in 1972.

However, Mr Scargill's figures on the rate of oil burn could be right, as they could be on the extra cost. It is known that at least one nuclear station, Trawsfynydd (200 MWs) in North Wales, has put back a planned (rather than statutory) maintenance. It is reasonable to assume the nuclear maintenance programme will continue to be shuffled around to conserve the coal burn.

Education authorities call for Burnham meeting

BY DAVID BRINDLE, LABOUR STAFF

EDUCATION AUTHORITIES yesterday called for a meeting of the Burnham negotiating committee on teachers' pay in an attempt to resolve the dispute threatening to disrupt schools next term.

The meeting will take place within the next two weeks. It is expected that the authorities will improve their pay offer in England and Wales of 3 per cent—possibly to 4.5 per cent.

There is, however, no guarantee that 4.5 per cent would appease the teachers. Some union leaders have said such an offer would not be enough and that only arbitration will solve the dispute.

The National Union of Teachers, the largest teaching union, will vote at its annual conference at Blackpool today on detailed proposals for next term's sanctions, which include a one-day strike on May 9.

The move for a meeting of the Burnham negotiating committee came on Thursday when Mr Philip Merridale, leader of the employers' side, brought together a sufficient number of his colleagues to sign a formal request.

The request was lodged yesterday and teachers' negotiators have indicated they will attend.

Building pay talks threat

BY OUR LABOUR STAFF

LEADERS OF 600,000 building workers have threatened to pull out of the industry's national pay negotiations, after rejecting a 3.8 per cent offer.

Union negotiators, who had lodged a claim for a "substantial" rise, described the offer as unrealistic and said they would deal directly with individual employers if a settlement could not be reached.

Mr Les Wood, general secretary of the Union of Construction, Allied Trades and Technicians, said: "The employers are not living in the real world. They are treating operatives as second-class citizens."

He estimated that building workers needed a rise of 12 per cent to restore their 1980 earnings levels.

Mr John Turner, chief negotiator for the Building Employers' Confederation, said the offer was realistic in the light of what the industry could afford.

The 3.8 per cent offer would increase craftsmen's guaranteed minimum earnings from £97.50 a week to £101.20, and those of labourers from £83.07 to £86.19. The two sides are due to meet again on May 17. Settlement date is June 25.

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THE WEEK IN THE MARKETS

Back into the minefield

LONDON
ONLOOKER

After last week's surprising spurt forward in equity prices which had left the FT-Actuaries All-Share Index at an all time high of 532.00 by last weekend, the market caved in on Monday. It was the worst day on Throgmorton Street for two and a half years with the FT 30-Share Index sliding by 20 points to 875.2 and the All-Share back tracking by 1.7 per cent.

Whereas Mr Nigel Lawson had held the stage in the previous week with his confident statement about the long-term outlook for the British economy, it was now the turn of Mr Arthur Scargill to command the spotlight.

Over the weekend there were growing fears that the miners' dispute could escalate, and those nagging doubts were much in evidence as jobbers chopped away at prices on Monday. Yet activity levels remained fairly low and even if sentiment has taken a knock investors are not prepared to vote with their feet just yet.

Nevertheless Monday's shake out must have caused a few hearts to miss a beat around at Schroders where the bankers were sponsoring the sale of the Government's remaining 48.5 per cent stake in Associated British Ports. In the event the tender went off well with a striking price 20p above the 250p minimum.

There was some half-hearted recovery on Tuesday and a more determined effort to fight back on Wednesday only for ground to be lost again on Thursday. If the miners' dispute escalates seriously the market must be heading for a downturn but for the moment investors are still trying to judge the likely impact on corporate profits.

The industrial turmoil of the coal miners' strike and three-day working week of 1974 are still deeply impressed on most people's minds. But while there was an obvious serious short term setback for profits, the dip was quickly ironed out. Looking back on reported figures for quoted companies at that time it would be hard to detect that there had been such a serious upheaval in the UK at all.

So while obviously concerned about the miners, for the moment the market is happier to concentrate its attention on the buoyant profit figures and higher dividends currently being reported. ICI played its part in keeping up the market's spirits with an encouraging statement at Wednesday's annual meeting.

Miners apart, the only cloud on the horizon is perhaps a growing unease that the Budget changes might not be such good news for coporate earnings as originally thought. The cash call by the Bank of Scotland and the hole created in its reserves by "Budget provisions" helped to fuel the markets fears.

Bank of Scotland

In fact Bank of Scotland had been planning a rights issue ever since last January, long before Mr Lawson changed the rules of the leasing game. But for that, the bank's use of a strong share price and the announcement of record profits nearly £10m higher at £59.3m to launch its first cash call for a decade would have been labelled as opportunistic. Now the rights issue, to raise nearly £42m, is looking a lot more like an act of necessity.

The official line is that the money being raised will be earmarked for continued expansion of the group's development in England which demands considerable investment in fixed assets while also putting the pressure on its capital ratios. Sound stuff, and certainly Bank of Scotland has a reputation for innovation and aggressive marketing. It could easily gobble up £42m.

However, the Budget has created more pressing needs. The bank has provided £56.3m against the changes in the tax rules. Around half of that relates to tax that is now likely to become payable with the rest accounted for by adjusting for profits that have already been prematurely taken where the changes will cut into future income because of tax variation clauses.

Perhaps more by luck than anything else, Bank of Scotland has stolen a march on its larger brethren who may well need fresh equity more urgently than it does. Now the question is who will be next among the other clearing banks. Certainly the market has not seen the last of the clawback provisions against earlier profits demonstrated this week.

Impressive mix

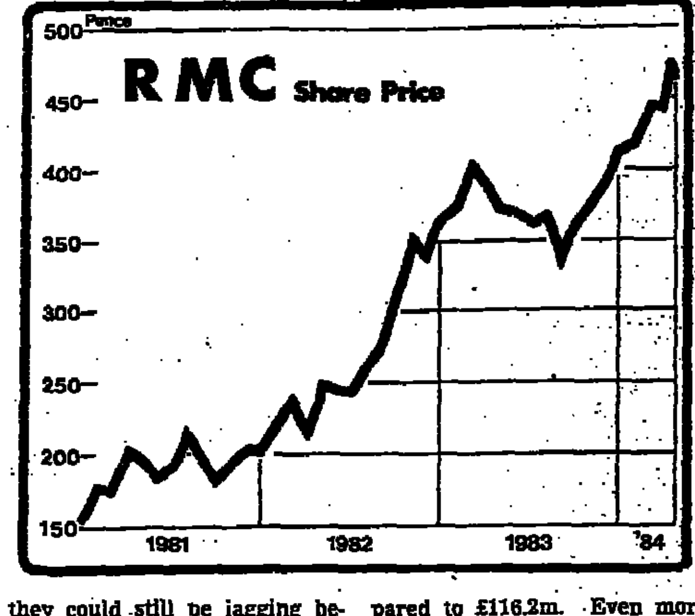
RMC Group has got the building materials sector's results season off to a flying start. Thanks to exceptionally buoyant performances both in the UK and West Germany profits for 1983 have come out at a record £71.6m pre-tax—60 per cent up on the previous year.

The rate of increase left some of the City's analysts well behind but such is the operational gearing to the business that even a very modest amount of extra volume can have a disproportionate impact on the profits line.

For example, RMC did no better than to hold on to its market share in ready mixed concrete in the UK of about a third. Industry volume was up by just over 4 per cent and RMC pushed up its prices by close to 6 per cent. Helped by a tight hold on costs the net effect of those movements was to push up UK margins from 7.4 per cent to 9 per cent and transform a 15 per cent sales increase into a 39 per cent profits gain. Cement makers who have been holding their prices frozen must be quietly fuming at their customer's success.

In West Germany the trend lines were much about the same though there RMC had the extra benefits from earlier reorganisation efforts working through to cost savings.

The current year has got off to the usual slow start thanks to the wintry weather but the poor spell was fairly short lived and ready mixed and aggregate volumes are picking up again. Overall, profits could come out around £85m this year while the peak of the construction cycle still looks some way off. The shares have performed very well in the last six months but they could still be lagging behind the immediate prospects.



Printing profits

The results of Robert Maxwell's efforts to revive the fortunes of British Printing and Communications Corporation are still heavily shrouded by accounting policies but few shareholders could be displeased with the outcome so far. Pre-tax profits for 1983 are ahead by 78 per cent to just over £22m and there is a 6p a share dividend—the first payment for three years.

Following the closure of 10 plants and the exodus of 4,000 employees, printing profits have staged a major recovery with a £6.84m rise to £15.82m. And following the closure of Odhams (Watford) and Park Royal—not part of the original 1981 Survival Plan — further rationalisation benefits will flow this year.

It is perhaps a classic tale of a slimmed down group on the road to recovery but it is a battle which is not yet completely won. Cash flow was a negative £15m last year and the balance sheet still has borrowings equal to around 75 per cent of shareholders' funds.

And the major task of recapturing the contracts lost by the British printing industry to overseas supplier is yet to be tackled. The group may have a heavy investment programme in train but what it really needs is to bump up its plant utilisation which is still running little better than 60 per cent.

Cash mountains

Hawker Siddeley produced profits to justify the re-rating its shares have enjoyed since the low point of last October. This week the group presented its shareholders with a 1983 profit of £137.5m pre-tax compared to £116.2m. Even more encouraging was the inclusion of a second half figure of £82.2m—50 per cent up on the previous six months.

The conspicuous performer among the operating areas was the U.S. business where profits have surged forward thanks to a near 50 per cent increase in the sales volume of small electric motors. Elsewhere Hawker's mechanical engineering operations held steady apart from those in Australia where, despite a lift in the second half, trading was still at a fairly low ebb.

Part of the profits performance was thanks to interest rolling in on the group's growing bank balance—a net figure of £119m come the year-end.

Where Hawker was busy chalking up its gains, Northern Engineering Industries appeared to find the going slightly rougher. Its growth from electrical engineering has been nowhere as good as Hawker's—South Africa apart—and NEI has relied heavily on improved margins from UK power and mechanical engineering to push its pre-tax line ahead by 8 per cent to £42.7m for the year.

NEI's major black spot was Extel Corporation in the U.S. where product delays and market changes following the deregulation of telex services caught the group wrongfooted and pushed up total U.S. losses to £11.8m against a modest profit.

Meantime NEI, just like Hawker and other majors such as GEC, is rolling up a pile of cash—£68m on the last count. And as with Hawker, the market is just as concerned with the way that money will be spent on reinvesting for growth as it is with the profits outlook for '84.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price Thursday	Change on week	1984 High	1984 Low	
F.T. Ind. Ord. Index	880.0	−15.2	901.4	770.3	Concern over miners' dispute
Adwest	146	−14	167	142	Disappointing interim figures
Ayer Hitam	278	−32	310	210	Pft.-tkg. after recent rise
BL	65	+11	72	52	Reduced annual loss
Bowthorpe	300	+25	303	243	Preliminary figures
Chapman Inds.	242	+32	245	205	Broker's circular
Commercial Union	215	−13	231	171	Fading bid hopes
Currys	351	−27	378	280	Fading bid speculation
Fogarty	65	−12	78	62	Warning about outlook
Hawker Siddeley	455	+39	484	352	Excellent annual results
Lamond Hldgs.	63	+11	63	38	Good preliminary statement
Laporte Inds.	440	+50	443	354	Sells Titanium dioxide business
LASMO	326	−19	350	275	Pft.-tkg. after recent advance
Pearson (S.)	558	+53	560	403	Results exceed expectations
RMC	462	+25	476	390	Bumper annual results
Rowntree Mackintosh	290	+30	290	216	Persistent takeover speculation
Samuelson	380	+50	390	290	Increased half-year profits
Wadkin	148	+14	155	115	Recovery in profits
Waterford Glass	42	+11	45	21½	Bid approach
Websters	140	+33	140	106	Results offset rights issue

Indecision still

NEW YORK
TERRY DODSWORTH

THE BEHAVIOUR of Wall Street over the past week has reflected its performance for the past two months in microcosm.

Since the beginning of February it has been trading in a range between 1184 and 1130, and usually within the much narrower spread between 1150 and 1170. This week the Dow Jones Industrial Average went right down the centre of this pattern, starting at 1160 and finishing the last trading day on Thursday at 1158.

These are the figures produced by a market which simply cannot make up its mind. Everyone perceives that the economy is at a turning point, but there is overwhelming uncertainty about which direction it will take.

This fixation with the economic news has been very clearly demonstrated over the past few weeks. The market has frequently moved suddenly, and erratically, on the latest statistical snippets from Washington, only to steadily correct back again over the next few days as it perceives that one item does not make a trend.

The conventional wisdom at the moment is that all the financial markets would respond positively to two things—some signs that the budget deficit was really being tackled, and a progressive slowdown in the growth rate.

Over the last few weeks, indeed, the concentration on the pace of the expansion has been exceptionally acute, particularly in the bond market where every jump in the figures has brought on an immediate alarm, while any slightly favourable number has been perversely dismissed as unreliable.

As a result, the vicious armlock established on equities by the bond market has retained its grip.

The practical reason for this caution by stock market investors has been clearly demonstrated in some of the first quarter figures announced this week.

The recovery cycle has not yet reached the point where it begins to have a great deal of impact on some of the heavier sectors of manufacturing industry. Yet in these industries, several senior executives have clearly voiced their doubts about the trend in interest rates.

This week the anxieties surfaced at both Aluminium Company of America (Alcoa), the U.S.'s largest aluminium manufacturer, and at Inland Steel, the fifth largest steel producer, which has only just managed to squeeze back into profits after nine consecutive quarterly losses.

Both companies pointed to the budget deficit as a dangerous influence on interest rates. This is a point over which economists are not entirely agreed, but whatever the reason behind higher rates, they are now seen as a clear threat to profits.

Industry, like investors, would it seems, like to see some touch on the brakes to dispel the fear of inflation but it is equally jumpy that too much will bring growth grinding to a halt.

This sort of thinking could be one of the reasons behind the recent patchy Wall Street trading record of the U.S. motor companies. In terms of profit, the big three could scarcely be faulted at the moment, as Chrysler demonstrated last week with a massive jump in first quarter earnings.

The figure of $706m broke every record in sight, and while General Motors and Ford are not in such obviously strong recovery situations, the signals given off by their cent dividend increases have also been highly optimistic.

Yet all three manufacturers are trading at lowly price/earnings multiples of five or even less, as though the market was saying that they would be among the first to suffer if consumer credit became any more expensive.

If it did, a company like Chrysler, which is still an essentially speculative stock, could see much of the good work of the last three years disappear down the plughole — thus justifying a share price which actually dropped by $1¼ to $25¼ when the company announced its results.

ITT shocked the market with a 42 per cent fall in earnings as its Hartford Fire subsidiary was hit with its highest ever list of claims, mostly related to the recent east coast storm. The shares, already trading on a modest multiple of around eight, fell $¾ to $37½.

MONDAY	1160.28	+10.15
TUESDAY	1164.47	+4.29
WEDNESDAY	1156.51	−8.06
THURSDAY	1158.08	+1.57
FRIDAY CLOSED		

Junior market glides over the bumps

BY WILLIAM DAWKINS

IMMUNITY TO shocks has never been cited as one of the USM's more striking qualities.

All the more surprising then, to witness the resilience shown by the junior stock market this week when anxieties about the miners' strike sent share prices on the full board into a small tailspin.

While the FT 30-share index dropped by 20 points on Monday to 875.2 and struggled back later in the week, the USM barely batted an eyelid.

The Datastream USM leaders' index, having risen from a monthly low of 110.6 on April 6 to 114.33 by last Friday night, fell back only marginally to 113.57 and stayed at around that level.

"It has become a little market of its own which doesn't feel the rub-off from the main market," says Brian Winterflood of Bisgood, Bishop, the only jobbers to make a market in all USM companies.

All this is a far cry from the so-called "Black Monday" of autumn 1981, when U.S. stock market guru Joe Granville cast doubts on the USM in a radio interview and investors panicked, sending the index down by nearly 30 per cent. Only a few months earlier, the USM suffered an equally serious set-back thanks to its concentration on the then troubled oil sector.

Granville has kept mercifully quiet since then, and oils are now less important to the USM's fortunes since it has picked up a broader spread of companies. In other ways, too, it has shown increasing signs recently of a sturdy independence.

Nowhere is this more apparent than in the amount of money flooding on to the USM. While the flow of rights issues on the main market has dwindled to a trickle in the past few months, USM companies are if anything stepping up their capital raising activities.

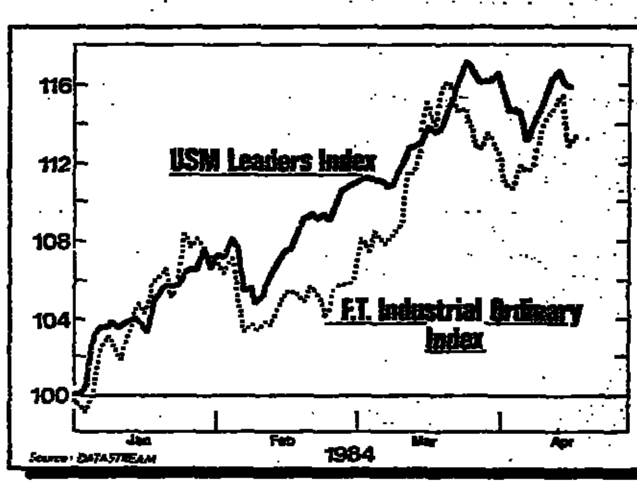
Although the pace has slackened slightly in the past fortnight, USM companies have clocked up more than £71m from market debuts and rights issues since the turn of the year, around five times the amount they raised in the same period of 1983.

Meanwhile, investors' thirst for new companies appears to be undiminished, despite earlier fears by some USM brokers that they would find it hard to cope with a lengthy shopping list, which included 11 new issues in February and nine in March.

All five companies to have joined the USM so far this month are being traded at hefty premiums over their issue prices. The latest clutch—Pantherella, a sock-making company; Ramco Oil Services and the Bodyshop beauty care chain, which all kicked off on Monday — have already shown share price gains of between 30 per cent and 82 per cent.

Their arrival brings the number of companies on the USM, now valued at more than £2.9bn, to 230, and another four are waiting in the wings to achieve a quotation before May.

In spite of its present vitality, the USM's ability to glide over any further nasty bumps that may jolt its big brother in the future is far from proven. It has not yet been tested in a determined bear market and the average price-earnings ratio of just over 30 on the USM indicates that prices should be more vulnerable in hard times than on the main market, where the average p/e is around half that level.



Unlisted Securities Market

Seasoned USM watchers, however, agree that there is a growing hard core of long-term shareholders on the USM who will not be easily shaken out of what they hope are growth stocks by temporary crises.

Brokers claim that the proportion of institutional investors on the USM is rather higher than on the full board, where they owned nearly 72 per cent of the free equity according to the most recent Stock Exchange count three years ago.

The market in many USM stocks is so limited, however, that big shareholders are unable to sell significant chunks of equity without risking heavy losses. They would find it equally difficult to pick up these shares again if sentiment subsequently improved.

Clearly, institutions' long-term investment policies provide a partial cushion against widespread share price falls on the USM, even if their loyalty has yet to be fully tried. By the same token, their tenacity has ensured that the USM has tended to underperform the main market since its inception—although within that trend there have been spectacular price movements.

Bill Stuttaford, senior partner of Laurence Prust, brokers to Pantherella, points out: "The FT 30-share index is a killer to beat because big companies tend to move first in a bull market. Similarly, when there is a reaction, the really marketable ones tend to fall first and the smaller companies follow on later."

Does this mean that the USM is storing up a delayed reaction and that investors should get ready to fall out of bed after Easter?

"In the end, the two must move roughly together," says Martin Gibbs, head of corporate finance for Phillips & Drew.

"But USM stocks are so much more difficult to sell that investors would tend to hold on until the market cracks—and we are not predicting that it will."

UK CONVERTIBLE STOCK 21/4/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◇	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv. 2002	9.60	393.00	333.3	80-92	3.1		−7.2	− 8 to 1	46.4	61.1	3.5	10.6
Hanson Trust 9½pc Cv. 01-06	81.54	299.50	160.7	85-01	3.3		−3.9	− 8 to −1	171.2	71.3	−32.0	−28.1
Slough Estates 10pc Cv. 87-90	5.03	285.00	234.4	78-85	3.5		−4.3	−14 to −1	13.4	9.5	− 1.3	3.0
Slough Estates 8pc Cv. 91-94	24.72	120.50	97.5	80-88	6.8	4.9	−2.7	− 6 to 3	21.6	25.9	3.4	6.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary ... on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per a... ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent pa... me of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference b... per cent of the value or underlying equity. + is an indication of relative cheapness. − is an indication of ... version. This is not necessarily the last date of conversion.

A mixed bag

MINING
KENNETH MARSTON

ANOTHER quarterly reporting season from the South African gold mines has been completed this week. It has provided the usual talking points but it has left the market with some mixed feelings. The March quarterlies, in fact, have needed a little explaining.

For a start, the average gold prices received by the mines, when converted into South African rands, have been rather better than in the previous three months thanks to the fall in the value of the rand against the U.S. dollar in which the gold is sold. Dollar prices have been a little lower.

Then, too, some of the mines have received higher than average prices for that part of their production which they have sold forward. The marginal Durban Deep and East Rand Proprietary, for instance, have done well on this score but it must be remembered that these mines will not fully reap the benefit of any future rise in the market price for gold above the levels at which the forward sales have been made.

Gold prices do not tell the full story, of course, and the mixed showing made by the net profits of the various mines has had a lot to do with questions of tax. The tax increases announced in last month's South African budget apply retrospectively to the full financial year of the mining companies.

Consequently, those mines such as the Consolidated Gold Fields group's great Driefontein Consolidated which run their financial year to June 30 have had to pay the higher tax on earnings for the past nine months. Those with a calendar year-end will not have entered the higher tax net until the first quarter of this year.

The Gold Fields' mines have accounted for the higher tax charges by restating their previous quarterly figures. All the rest, however, have lumped the extra charges for their financial year to date in the results for the March quarter.

Then there is the question of variations in the capital spending which can be offset against tax. Vaal Reefs and Western Deep lost on both counts in the latest quarter because not only were there the budget increases to be taken in but also the mines' capital spending fell in the latest quarter.

On the other hand, President Brand bumped up its capital spending in the quarter with the result that the tax charge fell. Thus the mine came out with a net profit of R40.5m (£23m) against only £29.3m in the previous quarter whereas at the pre-tax level the respective figures were R46.6m and R43.6m.

It's all rather complicated, but the basic fact remains that life is getting more difficult for the mines while the gold price stagnates and costs, tax and, in many cases, capital spending continue to rise. This has been brought home in the interim dividends declared this week by the Orange Free State gold mines.

They have been sharply reduced from the levels of a year ago and have been below most recent market estimates. Western Holdings, for example, has declared an interim of only 250 cents (141p) against 355 cents a year ago when there was a subsequent final of 325 cents.

Free State Geduld is paying an interim of only 135 cents against the previous year's 240 cents which was followed by a final of 215 cents. Significantly, perhaps, the mine is cutting this year's capital spending to R60m from the previously projected R83m by deferring certain projects.

Things are not getting any better and the industry now faces a new round of annual wage negotiations. Meanwhile, at the current level of share prices, companies such as Western Holdings would give a dividend yield of only about 10 per cent on the payments declared for their previous year.

Clearly, the dividend totals are going to be much lower in the current year unless there is to be a sharp and sustained rise in gold prices in the immediate future. Bullion prices may well move higher during the course of this year, but for the time being the sharemarket is fully priced and caution should be the watchword.

● Canada's big nickel-producing Inco has managed, by dint of a harsh cutting back of operations and employees, to reduce costs by a further 10 per cent in the first quarter of this year.

Nickel prices were lower than in the final quarter of 1983, but the company has managed to reduce its loss to U.S.$35.1m (£24.7m) for the period from $54.6m in the previous three months.

Mr Charles F. Baird, the chairman, has forecast better times for the slimmed-down group at this week's Toronto meeting. He has said that given a reasonable improvement in nickel prices — a fair assumption — Inco should return to operating profits in the current quarter, for the first time since the first quarter of 1982, and show a net profit in the third quarter of this year.

GOLD MINE NET PROFITS

	March quarter R000s	December quarter R000s	September quarter R000s	June quarter R000s
Blyvooruitzicht	15,147	16,056	15,837	20,269
Bracken	1,602	1,587	2,438	3,105
Buffelsfontein	50,642	43,057	§45,085	24,409
Deelkraal	9,351	3,823	4,572	5,827
Doornfontein	13,002	*15,060	*10,766	14,346
Driefontein	93,443	*86,623	*80,317	106,577
Durban Deep	‡1,760	‡3,881	‡4,049	†3,165
Ergo	19,803	15,483	16,226	14,024
East Rand Pty	‡1,719	‡4,995	‡4,624	†5,665
East Transvaal	5,653	4,856	5,069	5,877
Elandsrand	14,856	16,360	18,557	22,034
F.S. Geduld	20,103	21,610	32,743	27,419
Grootvlei	3,470	5,258	3,898	6,524
Harmony	24,694	25,752	26,445	40,702
Hartebeest	27,204	29,063	35,461	37,859
Kinross	8,731	10,025	12,073	12,728
Kloof	41,187	*38,799	*39,202	39,782
Leslie	2,231	1,774	2,724	2,912
Libanon	9,859	*12,456	*11,331	13,779
Loraine	2,389	†3	§3,665	3,467
Marievale	349	900	577	356
President Brand	40,461	29,368	43,809	29,072
President Steyn	25,211	24,461	30,262	26,256
Randfontein	45,491	86,280	41,413	50,197
St Helena	9,293	12,455	16,383	13,262
South African Land	878	1,135	1,047	1,136
Stilfontein	6,228	11,052	7,771	13,822
Unisel	6,602	7,698	9,614	7,774
Vaal Reefs	82,193	128,179	82,366	107,437
Venterspost	2,298	*1,681	*2,552	5,142
Village Main	312	191	187	299
Vlakfontein	371	*545	*513	620
West Rand Consldatd	1,335	†375	†827	2,084
Western Areas	17,749	25,290	12,903	10,408
Western Deep	47,847	*73,194	64,207	67,425
Western Holdings	39,577	29,775	63,016	38,942
Winkelhaak	11,082	11,838	15,559	12,875

* Restated to reflect two changes in March budget.
† Loss.
‡ After receipt of state aid.
§ Restated loss after receipt of state aid.
¶ Restated.

UNIT TRUSTS

Opportunity knocks . . .

THE CHANCELLOR in his Budget hit life assurance regular savings plans by withdrawing Life Assurance Premium Relief (LAPR) and severely curtailed the schemes from the "new wave" friendly societies by drastically cutting back on the maximum amounts which could be invested.

But he left unit trusts alone, so that now unit trusts have the tax edge over life assurance, at least for basic rate taxpayers. Nor are they restricted as to contribution level or investment choices as are friendly societies.

So unit trust groups which previously have mainly sought to attract lump sums, now have the opportunity to boost regular savings from investors without going through a life company. But will the unit trust groups take advantage of this opportunity to expand this side of their activities?

One thing is certain. Intermediaries are not going to recommend unit trust savings plans, instead of linked-life plans, unless the unit trust groups radically change their charging structure.

Life companies pay high initial commission on regular savings plans. Even a 10-year plan pays an initial commission of at least 27½ per cent of the premium, while a long term plan pays 66 per cent.

Unit trusts pay a level commission of 1½ per cent plus a marketing allowance of up to 1½ per cent to certain intermediaries.

Thus on a £20 a month savings plan, the intermediary could receive between £5.50 and £13.20 a month for the first year. On a unit trust savings plan for £20 a month he would receive 60p a month throughout the duration of the contract—hardly enough to meet his postage bills.

Secondly, the present savings schemes are not contractual. The investor can stop payments whenever he likes and either cash-in the units acquired or leave them until he needs the money. Life assurance and friendly society schemes are, in theory at least, contractual savings schemes.

Thus life companies can recoup their initial expense from the stream of premiums received. On a linked-life plan, the investor does not start holding units until several months' premiums have been paid. These early premiums are used to meet expenses.

There could be other ways of remunerating intermediaries. But whatever method is adopted, the unit trust groups will have to recoup the cost from the unitholder.

This in turn would mean lower investment returns on these regular savings plans, unless costs could be recouped from the increased sales. And it would need a spectacular rise to do this.

The life companies with unit trust subsidiaries which have been to the forefront in seeking direct sales of unit trusts by their field force state that they are looking into this question of selling savings schemes through intermediaries. But any breakthrough could come from Arbuthnot—the group that broke with convention recently and increased its commission payments on lump sum investment.

The more traditional unit trust groups still feel that any increase in sales of savings plans will come only because investors take the initiative to ask for them.

So their marketing activities will be centred on making the investing public more aware of the existence of these plans.

Until recently coupon advertisements for unit trust funds—new or old—had tucked away in the text a simple statement that regular savings plans were available. Now these advertisements will put this statement in a more prominent place in the layout and give more details. But the cost of this promotion will still largely be financed by charges on the lump sum investments.

Secondly, some groups are considering more detailed marketing of special savings schemes such as those available for children.

The advantages of grandparents and other relatives covenanting gifts to grandchildren have been described several times. Until now the unit trust groups have not really exploited the potential of this market.

Framlington recently relaunched its children's savings scheme, while M & G has always promoted its plan.

But the groups need to be much more positive than they appear to be at present. If they are going to rely on the investor coming to them, then they need to highlight performance in the way that life companies have highlighted returns on regular savings.

Moreover, the unit trust groups need to make regular savings simple and flexible. The Gartmore Moneybuilder Plan permits regular, or irregular savings in a manner of a deposit account, with a passbook system.

The unit trust promoters need to turn their minds to this aspect of their operations with something like the enthusiasm that they give to launching new funds.

Eric Short

Too many for one house

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I am a widower of nearly 44 years of age with two young daughters of 10 and 12 years respectively. I own the property that I am living in with a council mortgage taken out in 1975 on a 25-year period with about £6,000 outstanding.

When my wife died 10 years ago I bought the property and my parents came to live with me to enable myself to continue working. Both my parents are now past retirement age.

The possible problem that will arise concerns the fact that I am now engaged and plan to marry. My fiancee has a family and the above mentioned property is not big enough to house everybody. I wish to provide my parents with accommodation and also provide an inheritance for my daughters, which my fiancee agrees to. But also I may wish to purchase a property to live in with my new family. She is currently living in a council property where we could live until rehoused.

I have heard that I could become liable for Capital Gains Tax.

What alternatives could I consider to reduce such liabilities?

Could I transfer ownership to my parents?

Alternatively could I sell, purchase property for my parents on the understanding that the property is bequeathed to my daughters?

I would like a layman's explanation as I need to explain the pros and cons to my parents.

If you ask your tax inspector for copies of the free pamphlets CGT4 (Owner-occupied houses) and IR11 (Tax treatment of interest paid), you will see that there will be no tax problem if you simply allow your parents to continue living in your present home, rent-free and without any other consideration. You can leave it to your daughters in your will, expressing the wish that they allow your parents to go on living there (if you should die before your parents).

Affected by an extension

I and two neighbours have a potential "right of light" problem. Planning permission has been granted to another neighbour to extend his property in such a way that the extension will have a very detrimental affect on daylight reaching the sitting room, kitchen and one bedroom of my property and similarly, the sitting rooms and bedrooms of two neighbours' properties.

Planning permission was granted for the extension without prior referral to neighbours affected, enabling objections to be raised. (Though on another development application adjacent, which would have no affect on us, such prior referral was made.) Is a Planning Authority obliged to notify those likely to be affected or is a list of proposed planning applications appearing in a local newspaper considered adequate notification? We did not see the list, but our neighbour did.

Our neighbour objected. In reply and after the planning meeting at which permission was granted, the planning authority stated "the Committee took the view that the effect of the proposed development upon neighbouring properties was not of such detrimental order as to warrant the refusal of planning permission." At no time did the planning of a committee member endeavour to find out, at site, what effect such an extension would have on our neighbouring properties. Is there any obligation on a Planning Authority (a) to make every endeavour to find out the consequences of granting such planning permission, and (b) to state the basis on which such a "view" was formulated?

As planning permission has now been given for such an extension, the value of our property will be materially affected. So also, the value of neighbours' properties. Is there any way of claiming compensation from the planning authorities?

Apart from the above, should the development proceed, could we all claim a reduction in our rates on the grounds that the enjoyment of the property will be severely affected? i.e. artificial lighting will now be necessary at all times.

What other action can be taken to protect our interests and, possibly, prevent the development proceeding?

The planning authority makes its decision on grounds which are concerned with the general planning position. This does not necessarily involve consideration of private rights, and the grant of permission cannot override private rights, and if you have rights of light you can enforce them notwithstanding the grant of planning permission, and you should do so promptly, by seeking an injunction in the High Court or County Court. It is unlikely that you would be in a position to obtain a reduction in your rating assessment, but it is not impossible.

Agricultural buildings

My neighbour owns eight acres of grassland on which he grazes four sheep and a few horses. Over the last three or four years he has increased his outbuildings by adding a number of extensions so that he has now a U-shaped building 75 ft long and 30 ft wide. He has also built a new garage. I am told that no planning permission is required for agricultural buildings, even in a green belt area or an area of outstanding natural beauty. Is this so?

If so, is there a definition of "agricultural building?"

Planning permission is not required for the erection of an agricultural building on an agricultural holding. What constitutes an agricultural building is a question of fact to be determined in each particular case. For details see the General Development Order 1977 Class VI.

Gifts to a granddaughter

My granddaughter will be leaving junior school later this year, and her parents are considering the possibility of private school tuition at a cost of £2,100 per annum.

I feel I would like to help them with the cost, but as I am 63, I feel that a deed of covenent for the required 7 year peirod, would not be practical to carry out, once I retire in 2 years time.

I would be prepared to meet the full cost of this schooling, while I am able to do so, for the next 2 years, rather than tie myself to a covenant. Please tell me—were I to do so—is it possible for me to get a tax allowance on the sum stated—if so what allowance could I expect to receive.

No. cash gifts do not attract tax relief (even if they do not attract a CTT bill).

How about making a seven-year covenant for an annual sum of £600, perhaps? You might then make an interest-free loan, repayable on demand. Your solicitor can guide you, no doubt.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

YOUR SAVINGS AND INVESTMENTS—2

Three steps to freedom

BARRY RILEY reports on the problems of pension portability and a new scheme from Legal and General

THE LIFE assurance industry's push for greater portability of pensions gathered strength this week when one of the giant life offices, Legal and General, came out in favour of permitting people with portable pension plans to contract out of the State earnings-related scheme.

At present, it is only permissible for people to be contracted out of the State scheme through membership of an occupational pension arrangement. People contracted into the State scheme pay National Insurance contributions at the rate of 9 per cent of income between lower and upper earnings limits. Those contracted out pay only at the rate of 6.85 per cent, but on condition that they (or their employers) pay extra contribution into an occupational scheme which must offer certain minimum benefits.

This is to prevent such people becoming a potential burden on the State in their old age.

Many life assurance companies are keen to develop the potential will be lost if individuals can only buy such plans to top up the compulsory State scheme.

Employees wil leither refuse to buy such extra cover, or will only be able to afford a low level of premiums.

Previously it has been widely believed that granting individuals the right to contract out would be administratively impracticable. But Legal and General has come up with a scheme which is claimed to have resulted from an extensive feasibility study.

It involves the collection of a National Insurance rebate by the insurance company on behalf of its portable pension clients once a year.

The proposals follow on from evidence submitted last January to the inquiry on portable pensions which Mr Norman Fowler, Secretary of State for Health and Social Services, is conducting. Legal and General makes it clear that it still believes in the traditional final salary occupational pension scheme as the answer for most employees.

But it argues that it would be possible to set up the scope for individual portable plans without undermining the viability of company schemes. I's latest document is seductively entitled "Freedom to Choose."

The big employers, who have also just published their evidence to the Fowler inquiry through their organisation, the Confederation of British Industry, are also inclining towards greater flexibility in pensions provision.

They recommend a three-tier approach to the accumulation of pension rihgts. The first tier would be a basic State "safety net" provision, the second the occupational scheme or State earnings-related element and the third a private individual provision.

This third tier would take in the portable pension element. The CBI believes tax relief should be available to employees wishing to pay into portable personal plans to top up their benefits from the occupational scheme.

Early leavers should also be able to transfer the value of their accrued rights from the occupational scheme into this personal retirement account.

The CBI is far from being an outright enthusiast for portability, however. It is true that it accepts that where employers and employees agree that portable personal pensions are a "useful alternative" to compulsory membership of an occupational scheme they should be free to pursue this course of action.

But the CBI is unwilling to consider any suggestion that employees should actually have the right to opt out of corporate scheme.

The financial cost of allowing the "freedom to choose" clearly frightens the CBI. It argues that with some occupational schemes "their age structure could radically change with younger members opting out and only the older members remaining which would lead to higher funding rates for the remaining members."

As for the suggestion that employers should pay contributions into personal retirement accounts, this would be "completely unacceptable."

But the CBI does not explain how it would be equitable to withhold from employees who personalised their pensions the benefit of employer contributions which are normally two or three times the size of the normal payments made by an employee into a company scheme.

The kind of arguments being put forward in these submissions to the Fowler inquiry reflect clearly the commercial priorities of the parties involved.

Legal and General wants to open up a new market to sell into (though without unduly hurting the occupational schemes with which it also does substantial business through group insurance or multi-million-pound portfolio management services).

And the CBI wants to hold down the cost of pension provision. The third tier, or portable, element would have the advantage of allowing companies to deflect pressure for improvements to basic occupational schemes, such as in the area of protection of benefits for early leavers.

In spite of the differences in approach of various interested parties in the pensions industry, such as L and G and the CBI, it is interesting to note the emergence of some common ground, a kind of "partial freedom to choose."

HOUSE COVER

If the rot sets in

IT IS the dream of most people to own their own home. But dry rot, wet rot, beetle infestation and sundry other manifestations can turn that dream into a nightmare.

The house that looks a picture from outside in an idyllic setting could develop major structural faults that could cost thousands of pounds to put right.

If it is an older house beyond the 10-year guarantee of the National House-Building Council, then the houseowner has to meet these bills himself.

His house buildings insurance policy specifically excludes damage arising from major structural defects.

The housebuyer has to rely on checking the property before purchase and until now there were two courses open to him.

He could either rely on the Building Society valuation report or he could commission a full structural survey from an independent surveyor.

The building society's surveyor is briefed primarily to estimate whether the property is worth the amount being lent. Whereas a building society valuation is cheap, but short on information, the structural survey from an independent surveyor is expensive and usually so comprehensive as to be incomprehensible to the average housebuyer.

If the surveyor misses something and a defect becomes apparent, the only recourse of the housebuyer is litigation—time consuming and certainly expensive, unless the housebuyers has a legal fees insurance policy.

This week Yorkshire Building Society and General Accident have combined to offer a third alternative for housebuyers.

Yorkshire has drawn up a Surveyor's Assessment Report completed by its surveyors when they make their valuation. It is not a full survey but a report on the structural soundness of the property.

In this respect it is probably more valuable to the buyer than a full survey.

The surveyor has to give Yes or No answers to basic questions on various aspects of the house, such as walls, roofs, etc, such as "Are any serious cracks visible in the external walls?"

If the report is clear, the housebuyer has some, but not complete, reassurance. There will be certain parts of the house that the surveyor cannot report on because they are covered, unexposed or inaccessible. He may not be able to inspect the floor joists, for example, because of fitted carpets and wardrobes.

Defects may emerge subsequently that were not evident at the time of inspection.

So General Accident has introduced a new type of house insurance covering damage from major structural defects. If a major defect occurs within three years so that the house is physically unsafe or unsanitary or otherwise uninhabitable so that it requires extensive repair work then the policy will meet the cost.

The main exclusions under the policy relate to damage arising from defects brought out in the surveyor's report unless these defects have already been put right.

This Insurance is essentially a protection against the surveyor failing to unearth a defect on his original inspection, rather than a pure insurance contract against natural hazards.

GA is emphasising that this new insurance is not to be used to cover normal maintainance costs of the house. There is a £75 excess and anyone making a claim has to pay a £50 investigation fee — refundable if and when the claim is paid. The scheme is for major, not minor defects. However, it does cover damage from subsidence.

The cost to the housebuyer is £30 for the assessment report and £70 as a one-off premuim for the insurance. However, the premium can be added to the mortgage advance, making the insurance cost around 10p a week.

What happens after three years? The housebuyer is on his own again in meeting the costs of structural damage. But GA claims that the vast majority of defects show up within the three-year period.

Eric Short

Guide to warrants

It may be hard to believe, but there are distinct signs of excitement coming from investment trust analysts about warrants. A spate of warrant issues by trusts in the last few months has brought new life to what has been a neglected sector.

Investors have often shied away from warrants thinking it takes a degree in mathematics to understand them. The principles are easier to grasp than traded options, though, and many of the leading brokers in the field, such as Wood Mackenzie, Laing & Cruickshank and De Zoete & Bevan, are taking the mystery out of them with more comprehensible research.

Warrants give the right, without any obligation, to buy shares at a certain price—called the exercise price—at specified times. Usually there is a final date by which they must be turned into shares or they lapse and become worthless.

The warrant itself carries no right to dividends, votes or the assets of the trust unless it is wound up. Warrants can be bought and sold separately from the shares.

The advantage of buying an investment trust warrant over that issued by a trading company is that the warrant, like the trust's share price, depends on a portfolio of shares which the trust managers can trade, not on the fortunes of one company. So, the argument goes, risk is spread.

Around 30 investment trusts now have warrants in issue giving a choice of both general and specialist trusts. If all the outstanding warrants were "exercised" — converted into the trusts' shares — their holders would have to put up over £100m.

Buying an investment trust warrant is a way to benefit from a rise in the trust's share price without paying the full cost of buying the shares, because warrant prices are generally well below the share price.

Even better, as long as the price is moving the right way, warrants are a "geared" investment: the movement in the warrant's price is proportionately more than the change in the underlying share price.

The price of the warrant is a mixture of two types of value. First, if a warrant has an exercise price of, say, 100p and the share price is 125p, then the warrant is worth a basic 25p, called the intrinsic value.

On top of that there is the chance that the share price will rise further in the period before the last exercise date, making switching into the shares at the fixed price more profitable. This is called time value, and the longer there is before the warrants run out the greater the time value.

Because of this time value it is unlikely that a warrant will become worthless until the end of its life, even if the shares fall below the exercise price.

The time value element means that most warrants are priced at more than the difference between the exercise price and the current share price. So buying a warrant and exercising it straight way would not be profitable.

But by working out how fast the share price needs to rise between now and the final exercise date to make exercising worth while, investors can judge whether the warrant is good value. At the moment the necessary annual growth rates are only a few percentage points in many cases, one of the reasons why brokers are arguing that investment trust warrants are cheap.

Needless to say, warrants have their bad side, too. The gearing that is so attractive when share prices are rising has rather nasty effects on the downward tack. And the lack of dividends deters some investors, though high taxpayers may be an exception.

There are worse consequences for holders of the trusts' shares, if they do not take into account the possibility that the warrants might be exercised.

Trusts often give warrants to shareholders as a scrip issue, which looks like a free gift when the warrants then have a market value. But such an issue is really deferred rights issue.

If a trust's manager does well over the years and the net asset value of its portfolio rises, taking the share price up with it, then the warrant holders are likely to exercise. They send their cheques to the trust manager, the money is added to the pool of investments and the new shares are issued.

But if the asset value is well above the exercise price, the amount of money coming in is not enough to prevent a reduction in the asset value per share caused by the increased number of shares in issue.

This dilution drags down the value of the old shares too. In some cases, even at current asset values, the possible dilution is around 10 per cent.

Anyone buying investment trust shares should find out if the trust has issued warrants, and see if the warrants are the better bet.

Maggie Urry

SHARES FOR EMPLOYEES

Arnold Kransdorff reports on the slow march to a company-owning democracy

Why so few want a slice of the cake

UK COMPANIES are not particularly interested in employee share schemes, in spite of Government efforts to encourage a company-owning democracy.

Prompting legislation has been in force since 1978 but only a handful of businesses have set up the necessary administrative machinery to take advantage of the tax carrots available.

Until February fewer than 680 schemes had been approved for tax purposes by the Inland Revenue. And the latest figures suggest that the number of individuals receiving share appropriations under approved profit-sharing schemes is only 250,000 out of a total UK workforce approaching 27m.

Further tax fillips were announced in the Chancellor's latest Budget proposals, but whatever encouraging noises are made, the fact remains that British industry has been slow to accept the idea that it may benefit from their workers feeling a greater sense of participation through employee share schemes.

Equally, it may be said, British workers have also been slow to grasp the idea that share ownership is a very effective way of sharing in the bosses' profits.

Why? This vexed question is probably at the very root of the maladies afflicting British industry.

One of the reasons, according to the author of a new book on *Shares for Employees**, can probably be put down to education—or lack of it to be precise. Robert Heller, editor-in-chief of Management Today, believes that the general inability to understand the workings of industry, and share dealings in particular, could be a root why the Government's efforts to promote a company-owning democracy are achieving such limited success.

Equally important, he believes, is the fact that stockbrokers have been reluctant to take on small customers. A "short-sighted" lot, stockbrokers have also generally expected customers to come to them, rather than going out looking for new business, he says.

Heller's book, which gives an excellent account of the origins of employee share ownership, including a close look at pioneering examples of schemes at ICI, the John Lewis Partnership, and the business equipment company Kalamazoo, is timely for two reasons.

In the first place, it comes when the Government is hoping to boost interest in the concept through new proposals announced in last month's budget. Unfortunately, Heller's manuscript was written well before, so the book does not cover the latest developments.

Secondly, the recession has been a distinct dampener on the introduction of share schemes. Now, as the economy picks up, there is a chance that many more companies will climb on the bandwagon.

Heller himself is hopeful but this is based more on his own enthusiasm for the concept rather than any firm evidence. When pressed to look into the crystal ball he admits that it might be another 30 years or so before employees might get to the stage where they own 10 per cent of the equity of major British companies.

This would represent a significant advance on today's meagre employee shareholding, but illustrates just how far there is still to go.

Heller admits that the numerical evidence so far suggests that the thrust of legislative change has provided only a qualified success in encouraging the "production of wealth by spreading a share in its growth among those who have helped create it." the phrase used by Government in 1977 to justify its employee shareholding policies and objectives.

He concludes by saying that employee share ownership is a "many-faceted movement of gathering momentum which may at long last be starting to turn the ideals of the philosophers into the realities of the new and better economic order of which they dreamed."

If only this were so. The stark facts are that, however much commentators shout from the rooftops that progress towards greater employee share ownership is underway, the take-up rate in the context of industry generally is very small.

**Shares for Employees, available from Poland Street Publications, 4 Poland Street, London W.1. Price £4.95.*

FRIENDLY SOCIETIES

A scheme to beat the taxman

After Lawson's clampdown ... ERIC SHORT reports

THERE IS little doubt that the Chancellor's curbs on the new style of friendly society announced in his Budget have stopped the formation of any more such societies.

It appears that he was just in time to stop a growth that was threatening to get out of hand with many building societies and life companies seeking to set up their own friendly society.

But he has not yet killed off the existing societies. Some of them at least intend to continue operating even under the new lower limits imposed by the Chancellor.

Under the old regime, friendly societies could market assurance contracts up to a sum assured (the death cover) limit of £2,000. This imposed a monthly premium limit of £20 net (£23.53 gross allowing for Life Assurance Premium Relief). Annually contracts had a limit of £416 a year.

But these limits solely determined the amount of premium. Friendly society contracts were for a minimum of 10 years and the benefits were the value of the accumulated fund on a tax-free basis at the end of 10 years—or later.

The new limits of £750 sum assured and £156 per annum annuity effectively reduce the premiums to an annual premium of £105 on assurances and £156 on annuities.

The Chancellor did not withdraw the tax-free roll-up of the underlying funds. So friendly societies are still able to offer good returns to investors compared with the taxed funds of life companies and unit trusts.

Most friendly societies marketed only assurance contracts. But Lancashire and Yorkshire Assurance Society markets both and this has enabled it to offer reasonable premium investment on its new "Tax Free Plan" launched this week.

Friendly society plans are only available to married people with dependent children. But most savings plans are taken out on a husband-and-wife basis.

Thus Lancashire and Yorkshire on its new plan can offer a maximum monthly premium of £45 to husband and wife—or £23 for a single person—by combining the assurance and annuity elements.

Under the old system, the society had to market the assurance and annuity plans separately. Now it can combine them.

Half the investment is made in the society's own Gilt fund—the Capital Secure Fund. The rest is invested in one of two trusts managed by Gartmore—a global equity fund or a UK equity fund.

If the combined growth of these two funds is 12 per cent per annum, the value of a family (husband and wife) plan for the maximum premium would be £8,614 tax free after 10 years.

Lancashire and Yorkshire has been quick off the mark because it has adapted its existing plans which had already been approved by the Chief Registrar of Friendly Societies. The society is keeping to its existing management charges even though the units are lower.

Had it tried to adjust the management charges, it would have needed fresh approval.

A lump sum investment version is also available, through the society's arrangement with Royal Life.

However, investors normally want to take their benefits in lump sum form, not as annuity payments. Lancashire and Yorkshire is allowed to commute these annuity payments for a lump sum. But it emphasises that this commutation is not automatic nor on predetermined guaranteed terms.

Commutation will be at the discretion of the society's trustees and will take into account the health of the investor.

The commutation terms will be decided by the society's consulting actuaries, Clay and Partners.

The other new plans come from the Newcastle-based Northern Rock Building Society which operates through the Manchester Unity Life Insurance Collecting Society.

The society offers only assurance contracts, so the maximum monthly premium is £7.70 single or £15.40 for a married couple. The Northern Rock will only accept the maximum under its new Moneymaker Savings Plan.

The death cover is only £700—the society has been forced to reduce it in order to keep management charges unchanged and avoid the need for fresh approval.

Now that these two have broken the ice, one can expect other friendly societies to follow. But they will have to adapt existing plans rather than seek fresh approval.

The chief registrar cannot be expected to approve new plans when the new system will not become law until the present Finance Bill receives the Royal Assent.

The new system means that there is now no difference between the new societies and the long established mixed friendly societies. Lancashire and Yorkshire intends to take advantage of this move to market a whole new range of products many of them following the traditional sickness style.

PROPERTY

Second home-hunting

BY JUNE FIELD

A BOLT HOLE *in the country or by the sea is one of the most rewarding forms of escapism for those who can afford it.*

And as we reach the first holiday weekend of the year, many rural and coastal estate agents are reporting a healthy return of a branch of the business that has been low-profile for some time, the second home market.

In the New Forest area particularly, Jackson and Jackson is finding a noticeable upsurge in inquiries for weekend and holiday homes. Paul Jackson says: "The demand for properties of this nature has never been greater and we anticipate more second home sales than at any time over the past 10 years.

"*There is an air of optimism about the market generally that we are sure will sustain.*"

He feels that this reflects the drift towards self-catering holidays, combined with a sound investment.

Although capital gains tax has to be paid on a place that is not your main home, the new annual exemption has been increased *to the first £5,600* of net capital gains.

Also if you own a holiday home anywhere in the UK, from April 6 any rental income received will be taxed as earned, rather than investment income. And you should be able to claim capital gains tax relief when the place is sold. (To qualify for these benefits the property has to be available for letting for a certain number of days.)

Some cautionary advice though, for those whose first attempt *it is at two-home living.* We have had a seaside hideaway since the days when interest on a bank loan was allowable for tax relief, even if it was not for a principal home.

But our first foray went slightly awry because we did not think the idea through properly. Plunging into the maelstrom of London's early evening traffic to get there, whether mid-week or weekends (our time off is somewhat erratic), became a tiresome chore rather *than pleasant relaxation.*

Our first second home was too *large and* needed to much work done on it. Coping with too *many repair jobs can pall after* a traumatic week. Something easily manageable that one can lock up and leave if necessary, without having to worry all the time that the roof is going to fall in, is ideally the sort of place to aim for.

Finally we trained ourselves not to feel guilty if we did not feel like spending every off-duty *minute away.* And the actual mechanics of running two homes needs to be taken into consideration.

We had to learn to accept the philosophy of what our American cousins call "vacation-living." This means taking in one's stride that it is not the *end of the world if your cutlery* does not match, or friends do not have your best glasses to drink out of. (To the French of course, a *residence secondaire is a way of life* and they do not fuss about it.)

So how to begin the search? Accessibility is all. Plot motorways on the map. Too much time spent travelling is non-productive in precious leisure. Study rail and coach time-tables too—a car may not always be on hand.

Decide on the environment. Do you want to be solitary, or be part of a community, however briefly? Is the countryside or sea your choice? Do you want to golf, fish, swim or just look at the scenery?

Remember another home means not only the capital cost, but an extra set of rates, insurance premiums, lighting, heating *and cleaning bills, as well* as repair and maintenance or service *charges.*

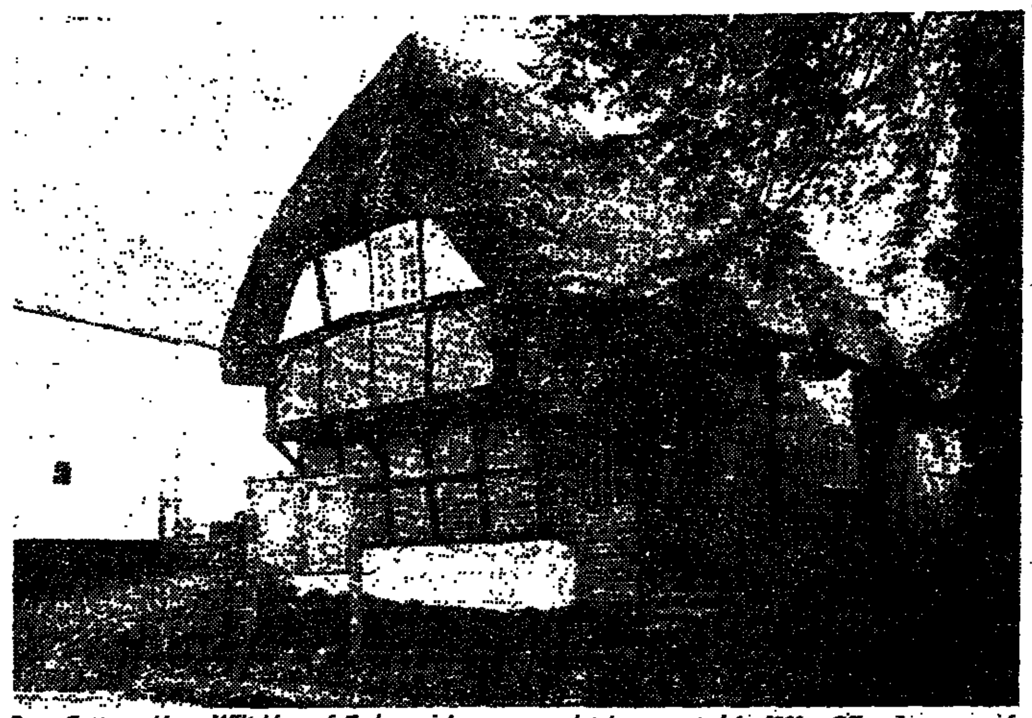
Easy-care gardening and effective security should also be high priorities. Consider too, whether the place might be adapted or extended for a permanent, retirement home in later days.

For sale at £89,500 is Keeper's Cottage, the one-time gamekeeper's house believed to be well over 100 years old. It is right by the clubhouse (a Georgian mansion built by William Gratwicke in 1822), and over the weekend I watched the golfers wheeling their trolleys at the side of the garden *on their way to the 18-hole,* 6,216-yard course.

The charming two-bedroomed cottage has a tiny lawn plus masses of daffodils and hyacinth, *dominated by* a budding chestnut tree.

Details from Peter Berry, Fox's, Broadmark Parade, Rustington, West Sussex (09062 73131), who points out that the Ham Manor Golf Club has an open membership list, so any purchaser would have an application to join favourably considered.

The 7-bedroom Tower House, Bromyard, 14 miles from Worcester with its easy access to the M5, is said to be where Charles I rested in 1645 on his way to relieve Hereford when it was besieged by the Parliamentarians. Offers based on £72,500 through Andrew Grant, 59/60 Foregate Street, Worcester WR1 1DX (0905 24477)



Rose Cottage, Ham, Wiltshire, of Tudor origin, was completely renovated in 1981. Offers in excess of £60,000 through Nick van Zeller, Knight Frank & Rutley's Hungerford office (0488 8276)

Where to look

● Sussex: The popular commuter belt London to Brighton command good prices. Worthing is a desirable area too, where the penthouses in a newly constructed seafront block are the highest priced along the coast road, £125,000. (Fox & Sons' Worthing office.)

Try the less fashionable areas of Littlehampton and Bognor where costs and rateable values are lower. *Prices from £25,000* to £35,000 buy an older terrace *house or cottage just back* from the sea. (Local agents include Hexton's, Hobdens, and King & Chasemore). Prices rise again in nearby Aldwick Bay where Earl Spencer has a holiday home adjoining the beach.

Golfers will like the Ham Manor Estate at Angmering, near Littlehampton. The *original* 1935 sales brochure described the area as having "Sunshine, Golf and Sea and Accessibility," and the course was opened a year later with an exhibition match between Henry Cotton, the two Whitcombes and James Adams.

The architect was H. S. Colt, and the course is described as having "fine springy turf in two loops *of nine holes,* providing an interesting test of golf." *On the first hole* (400 yards), the player is reminded that on no account should he play straight for the green as the ground falls to the stream on the left of the fairway.

● Essex: Look for picturesque thatch within commuting distance of Chelmsford, such as Green Shutters, Braintree Green, complete with eye-brow dormers, colour-washed walls and lattice-style windows, *£66,000.* (Bairstow Eves, 0376 2000.)

● Suffolk: *Probably the best* value for prettied-up period *places, specially the area around* Snape Maltings Concert Hall, and some of the east coast sailing centres.

The early 18th century Rosemary Cottage in the village of Turnstall Common, near Woodbridge, is £27,950. Modernised with a new roof, there is an inglenook fireplace with wood-burning stove. (Bairstow Eves 03943 6551.) This sort of price range, under £30,000, is obviously in *demand* as it keeps one out of the stamp duty net.

● Wiltshire: Anywhere within easy driving distance of Salisbury is popular. Woodfalls Cross Cottage, in the village of Woodfalls off the A337, comes with a large barn at the side. (offers in the region of £50,000, Jackson & Jackson 0590 75025).

Bridge Cottage, Brixton *Deverill, is by a stream, and* about 1½ hours' drive to London via the A303 to the M3. You have golf at Warminster. (In the region of £55,000, Knight Frank & Rutley, 0935 812236.)

● Hampshire: In the High Street of Milford-on-Sea, there is a house that was once the Old Smithy, although with its modern windows and front door, the 17th-century origins are not very apparent now. (£34,950, Jackson & Jackson 0590 75025).

● Somerset: The Ford Lovington, four miles from Castle Cary with its inter-city trains to Pad*dington (about 1½ hours), is one* of the Mill Cottages mentioned in the Domesday Book.

This one is for fishermen, as there are steps down to the River Brue. (In the region of £64,000, Knight Frank & Rutley's Sherborne office, 0935 812236).

● Wales: Cottages at Carmathen Bay and Powys sell around £20,000 to £27,500, and John Francis (0437 68281), was offering a stone-built house near the Pembrokeshire National Park coastline at £29,000.

COMPANY NOTICES

Motor Cars

LEASING AND HIRE

Registration Numbers

How to be a pilgrim

BY ARTHUR SANDLES

THE WORLD, so they say, is full of contrasts. At times they are stunningly right.

Scene One was in the majesty of St Peters, the soaring centrepiece of the Vatican and focal point for pilgrims. Small groups were being mothered around, caught momentarily and saintlike by shafts of sunshine piercing the shadowy interior.

There was the party from Gdansk, each with a proud red button-hole badge pronouncing the fact.

There were the thick rural accents of Ireland, the non-stop chatter of the South Americans, who from time to time broke ranks like a gathering of disturbed birds and whirled around for a minute or so before settling again before another monument and another explanation by the guide.

Scene Two was a week or so later, and a week or so ago. Literally an ocean away from Rome is the tiny eastern Caribbean island of St Vincent.

A narrow lane was the route up into the hills and some way along it, we came upon a partly finished church. Spikes of reinforcing steel bars poked from walls of pre-cast cement blocks. The sun scorched down and the air of lethargy was broken only by the noise of an energetic cockerel who, having smelt the air of a Caribbean spring, was making himself a nuisance among the hens.

From the church came the sounds of revivalist hymn singing—the tunes themselves reminiscent of an English village congregation in shy cry, but the rhythms distinctly less reserved.

Quite apart from the religious link there was another distinct similarity between the two occasions. In both cases the religious ceremonies appeared to be the focal point of a social event, but not necessarily all of it.

In both settings, one formal and almost crushingly historical, the other so new that the concrete seemed hardly set, the chatter continued, the congregation drifted in and out and there was a uniform behive buzz.

He who treats religion as a tourist attraction is treading a dangerous path. The two, so often partners, do not always enjoy a happy relationship.

And yet so often the Church has been the guardian of so much that the traveller wishes to see. In many towns the only real piece of Saxon, Norman or even Victorian architecture still in daily use in the church.

In Europe old pubs and inns are knocked about and updated. The world over old castles are left to rot. In India the ancient, and never used, citadel of Fatipur Sikri grows gracious weeds, while the Taj Mahal is tended and polished.

The Colleseum in Rome creaks under the strain of passing traffic while St Peter's echoes with its worshippers. In that sunny island of St Vincent the Anglican and Roman Catholic churches stand next door to each other in current perhaps, while other remnants of sailing ship colonialism such as the forts boast little more than a few rusting cannon and impressive views across the Caribbean.

Quite apart from our more static monuments the Church has also left us with a heritage of fetes and festivals. In some cases the religious origins have become a little confused — Guy Fawkes bonfires in Britain go back into the mists of general European autumnal celebration; and you have to dig deep into Fasching and Mardi Gras, in some cities at least, to grasp the beginnings, or even the points of change of the event.

On a grander scale this weekend sees such religious spectaculars as the Holy Week celebrations in Seville, a flowerful pageant of floats and penitents, music and mystery.

The Giralda tower offers a view of Seville which vividly demonstrates the Arab origins of the present city. Take a photograph. You cannot do that in Leningrad, however grand the cathedral because the authorities think your Nikon zoom might focus on some nearby SS 20s.

Sometimes the festivals are confusing in their timing. I seem to recall in my youth that Oberammergau offered a passion play that could be but infrequently seen. Well it seems to come round with distressing regularity, and this year sees the 350th anniversary. It was first performed in gratitude for the ending of the Black Death.

So popular is the play, and so attractive is the nearby countryside, that tickets can be difficult to find and accommodation even harder.

Thomas Cook has something of a corner in the business as far as Britain is concerned. It is offering the Oberammergau performance as part of a series of packages, based normally in longer stays in villages in the nearby Austrian Tyrol.

The play itself is lengthy and requires stay of at least one night in the village itself. Tickets and accommodation are normally sold as a package and the price is as long as the proverbiable piece of string—but start thinking about a basic £189 for a one week trip, ticket included, off-season.

The Cook concentration on things religious pops up in another activity of the group, Inter-Church Travel.

This company offers not only the Oberammergau trips (somewhat quaintly illustrated with a lead picture of windsurfing on the lakes at Zell am Zee in its brochure) but pilgrimages to the Holy Land, tours of the much-overlooked religious centres of Turkey and such one-off extravaganzes as the Ascension Day procession and celebrations in Bruges, Belgium.

There is no need to travel so far, not become so intellectually involved, to enjoy the legacy of religion. Stretches of Britain's own Pilgrim's Way offer joyous views and a pleasant sense of time.

Look no further perhaps than the Pilgrimage St David's campaign being run this year by the St Davids Peninsula Tourist Association and centred on a city which has been a focal point for pilgrims since the seventh century.

Venture perhaps to East Anglia, where Little Walsingham is another centuries old pilgrimage centre, and see the vaulted roof of St Nicholas, Blakeney, the decorated splendours of the 14th century St Margarets, Cley, along with the round-towered churches of Aylmerton, Bressingham, Gresham and Matlaske.

Many of these must have been known to Oliver Cromwell, the man at whose door the English at least must place a heritage of a somewhat starker approach to religious matters than the busy jubilation of St Peters and St Vincent offer today.

Of course, what makes things easier for the European visitor to many of these places is that, however great our doubt, we mostly claim some basic knowledge of our domestic faiths. Visiting further afield sometimes brings problems.

For myself, I shall ponder that Caribbean Sunday morning earlier this month where, as I walked away from a church still throbbing with the rousing sound of hymns, a browsing goat looked up and baaahed in rebuke for such an early departure.

Easter procession in Jerusalem

Down the Easter parade

IF IT proves to be a fine weekend then this could be an ideal garden visiting time.

Most gardens normally open to the public will have unlocked their gates, but not all, so check with the local tourist board.

Other holiday events include:

LONDON: The International Model Railway exhibition opens today at the Wembley Conference Centre, 10.00-18.00, £2.25 (£1.25 children and OAPs). Wembley may be crowded—today also sees the start of the three day Country Music Festival — Slim Whitman, Emmylou Harris, Glen Campbell et al—£7.50-£17.50 for one day tickets.

The traditional Battersea Park Easter Parade takes place on Sunday, moving off at 15.00 although there is entertainment from mid-day.

Monday sees the Harness Horse Parade in Regents Park. Horse-assembling at the Inner Circle from around 10 o'clock, judging and parade 12.00. The London International Band and Display competition is in Queen's Park Rangers stadium also on Sunday. All seats are under cover.

ENGLAND: The Devizes to Westminster canoe race is in full swing. Overseas crews include one from Hawaii. Call 01-928 4870 for daily details. Sunday and Monday are Balloon Days at Holker Hall, Cark in Cartmel, Grange-over-Sands, Cumbria. Hot air balloons, 15.30-16.30.

There is medieval jousting at Chilham Castle, nr. Canterbury, Kent (14.30); and on Monday, a St George's Day celebration Shakespeare and the English Countryside at the Lake District Visitor Centre, Brockhole, Windermere, Cumbria, 15.00.

A much-shortened list of horsey events today includes racing at Plumpton, Carlisle, Newcastle and Newton Abbott and point to pointing at Bedale, Ludlow, Aylesbury and Larkhill.

Monday's racing includes Newcastle, Newton Abbott and Plumpton, and there are trials at Brackley (Northants), Braintree (Essex), Brockenhurst (Hants) and Hagley Hall (Worcs).

Hickstead is on all weekend.

SCOTLAND: The weekend sees the highlights of the Edinburgh students' charities week. There is a grand fete this afternoon (The Meadows). Tomorrow the Charathon and Fun Run will be held in Holyrood Park and the evening will end with a torchlight procession, bonfire and fireworks. The march starts from Castle Esplanade and ends on Carlton Hill. Hibs play Hearts this afternoon aptly enough at Easter Road.

WALES: The Lampeter (Welsh Breeds) Stallion show is in Dyfed as is the Vale of Clettwr hunter trials, which is a British Airways Championship event. The trials are held at Banc Erwlon, Llanfihangel ar Arth, Llandyssul.

A.S.

The short wheelbase, lightweight Audi Quattro Sport. A 155 mph all-wheel drive supercar with gentle good manners. A handful will be sold in Britain at about £50,000.

The fiery, gentle Quattro

BY STUART MARSHALL

BY THE end of this year, every Audi car will have its Quattro equivalent. And by the end of this decade, the turbocharged Audi Quattro coupé that started the all-wheel drive trend will be seen as one of the most significant developments in the history of motoring.

All the major European and Japanese car makers are developing four-wheel drive models, either for rallying, where it is hard to be competitive without it, or for road use.

Many of these cars have four-wheel drive that may be engaged or disengaged at will—"on demand" four-wheel drive is the shorthand expression. But are they real rivals of the Quattro range?

Dr Ferdinand Piëch, Audi's board member in charge of research and development, thinks not. "The essential principle of our kind of four-wheel drive, which is integrated permanently in the transmission, has not been fully understood yet," he told me in Ingolstadt last week.

"On demand" four-wheel drive is useful. It gives added traction when needed, say, to climb a hill or keep going through deep mud. But it is a compromise.

It makes the driver choose between a single driven axle and the disadvantages of a four-wheel driven vehicle not set up for permanent four-wheel drive.

"Our system," Dr Piëch told me, "makes the advantages of all-wheel drive available without any need for adjustment on the driver's part.

"We set ourselves the target of achieving an overall improvement in the properties of a high performance road car. Priority was given to increasing safety in everyday traffic, the improved ability to cope with bad road conditions was a welcome spin-off."

The pros and cons of four-wheel drive are complicated. Obviously, four driven wheels will make for better traction than two driven wheels, but there are snags.

The front and rear wheels travel different distances when going round corners. If they were rigidly interconnected, stresses would build up in the transmission. On soft ground this doesn't matter because stlipping tyres wil relieve the stresses, but it is a different matter on hard roads.

Then a set of differential gears is needed in the drive line to get the strain out of the system. Range Rovers and Lada Nivas, which are permanently in four-wheel drive, have them. So do the Audi Quattro cars.

But simple "on-demand" four-wheel drives, which are not meant for all-wheel-drive operation on hard roads, do not.

What are the advantages of four-whele drive in a road-going car? It makes cornering easier and safer since a change in handling response caused by spinning drive wheels is virtually eliminated.

Tyre loading is reduced, allowing narrower tyres to be used which reduce the risk of aquaplaning in heavy rain, ride more comfortably and cost less. Tyre wear is also slower. (A tyre has only so much grip. If some of it is used to provide traction, that reduces its lateral grip. This is the reason why a front-wheel-drive car, driven hard, tends to go straight on in corners, while a rear-driven car tries to hang its tail out.)

Until the Quattro came along, all permanently four-wheel-driven vehicles were basically of rear-wheel-drive design, with a transfer gearbox leading another propellor shaft to the front axle. It is a clumsy system, with a lot of added weight and friction.

The Quattro started as a front-wheel-drive car with a conventionally (not transversely) mounted engine ahead of the front wheels. A tiny differential was built into the gearbox and a set of final-drive gears installed at the rear.

It was neat, took up hardly any more space than a two-wheel-drive layout, and added very little weight. In the three years that the Audi Quattro coupé has been on the market, it has gained a reputation for extreme ease of handling when driven fast and, in rallying, has smashed the opposition flat.

More than 22,000 Quattros have now been produced, 6,000 of them turbocharged coupés, 16,000 the deceptively ordinary looking 80 Quattro saloon.

Apart from engineering Quattro transmission into all its models, the 200 Turbo included, Audi has launched a lightweight, shorter wheelbase Quattro Sport to retain an edge over the competition in a field in which most of its rivals have gone over to all-wheel drive.

This 300 horsepower supercar has a 155 mph maximum, slingshot acceleration and anti-lock brakes. Rally driver Harald Demuth who showed me its paces on private roads last week said it was a gentle as a shopping car before jerking my head back with a rocket-like take-off.

When I tried it myself it really was gentle; a fiery beast with perfect manners. A batch of 220 has been made and perhaps 20 of them will reach Britain. They will be left-hand drive and will cost around £50,000—a large sum, but it will buy the most manageable supercar in the world.

Perhaps even more interesting than driving the Quattro Sport was a chance to prove for oneself the benefits of permanent all-wheel drive on a handling course.

There were three Audi 80 saloons to try. One had front-wheel drive only operating; the second had all-wheel drive, but with the centre differential locked to make it behave like an "on demand" four-wheel drive car; the third was a proper Quattro.

Rally champion Walter Röhrl showed how it should be done, recording times of 13.64, 13.41 and 13.02 seconds for the three cars respectively, demonstrating the Quattro's superior handling and grip.

It was no disgrace to be a lot slower, but at least my times were in proportion to his, demonstrating that the Quattro principle works for averagely competent drivers much as it does for rally stars.

Just strolling

WHAT ARE those lines of Dylan Thomas? "I walked abroad in a shower of all my days." It was like that on a sharp, but sunny April morning when I rediscovered the joys of walking—in North Yorkshire.

"Just a short walk," our host said. It turned out to be 12 miles—the White Horse Walk at Kilburn, between York and the coast, which takes in part of the Cleveland Way, a 93-mile pilgrimage from over the hills—"a nice two-day trot," our host said.

As a Yorkshire man, I once was a great walker, but I haven't done much recently other than Shepherd's Bush to Holland Park when the sun's shining and the pubs are open. In a few hours on the North York Moors I was hooked again.

The White Horse Walk is so named because of one of those horses sculptured in a sheer cliff. It doesn't look much like a horse, but you can use your imagination and the joy is to walk round it, 12 miles round it, that is.

We were a motley crew, Peter who reminisced about a sleigh-ride in Greenland and the disgusting habits of huskies, and Sid, the only man I've ever met who knows more about song lyrics than I do, (I've never met Benny Green) and this is why obscure and long-forgotten Cole Porter lines echoed over the broad acres.

If you're newish to walking you need a group like ours to take your mind off the rough bits. You also need a leader like Barry. "Look here!" I said in my long-lost NCO's voice after six miles, "how far are we from a pub?"

"A long way," Barry said, "but don't panic." At the time we were just walking past a sizeable lake—the sky was in one of its brooding moments at the time, and my mind wandered to some ladies I know and Chandler's Lady in the Lake—that's where Marlowe found the body.

But two days earlier, Barry had wrapped up 15 cans of lager and five of Coke in a number of plastic rubbish bags and put them in the lake on the end of a rope tied to a branch of a tree. With a crafty smile he hauled them in and we sipped ice-cold drinks a few hundred feet above sea level.

Then it was onwards and upwards—it seemed about 100 miles upwards — but I'm assured it was no more than about a mile. My knees were wobbling and I was glad when we got to the top, but all the way I remembered.

Oh, those long-lost walking days! I remembered Ilkley Moors when I was "nobbut a lad," the days when I was writing verses which had been rated as "A. E. Housman watered down." There was one about an occasional girl companion which had a line about "coffee bars and moorland walks and kisses in the heather."

Other times, other walks. Army route marches. It was hard to appreciate the delights of the Northumberland landscape when you slogged up to Tweedmouth with rifle and pack. And more marches — through that pleasant bocage country in Normandy, its pleasures slightly spoiled by the bullets that kept coming at us.

The memories rushed back. We got to the highest point of the tramp, standing on the Cleveland Way with the whole panorama of North Yorkshire illuminated in a sudden burst of morning sun.

This weekend, I suppose, the White Horse Walk will be a little congested. We had it to ourselves. It's amazing how therapeutic walking can be for people like me who don't want to overdo it. The motor car has made it possible for us to mix a touring holiday with a few miles of real walking.

I've always promised myself that before I'm too old I'll do the whole of the Pennine Way. I'll take it slowly, of course. My host, Barry, on the strength of my White Horse performance said: "You'll need about six months."

For information on walking in Yorkshire. Contact the Yorkshire and Humberside Tourist Board, York, North Yorkshire.

ALAN FORREST

BOOKS

Wass talks

BY JOE ROGALY

Government and the Governed
BBC Reith Lectures 1983
by Douglas Wass. Routledge & Kegan Paul. £8.95 (£3.95 paperback). 120 pages

Let me be quite clear about this: some of my best friends are civil servants. Theirs is, all the same, a pernicious institution, manned by brilliant masters of the useless arts. Conscious of their ability to manipulate abstractions, they are blind to their true ignorance. If anyone still believes otherwise, here, in six brief lectures, is the evidence.

Of course Sir Douglas does not set out to prove my assertion. On the contrary, his is the tone of the perfect mandarin, anxious to improve the system by reforming it. His proposed reforms could have come from no other source. They are modest, and carefully argued. They follow a precise listing of the arguments for and against. Everything is tentatively proposed, nothing is emphasised. It is "with pride that he values the small steps along the right road," and tension is placed; he places the "great leap forward" as—apparently inevitably—"in the dark." The underlying assumption, without which the lectures could not have been delivered, is that ours is the best civil service in history, and one blessed enough to work within a constitution that Heaven itself might envy.

If you accept this view, Sir Douglas has something to offer. We should try zero-based budgeting. Mr Heath's "policy analysis and review" sessions, suitably improved, should be reinstated. New, broad-based Cabinet committees should review the general direction of policy. The Cabinet staff should be strengthened; the "Think Tank," in a better form, should be resuscitated. Civil servants who disagree with Ministers should perhaps have a right of appeal to a Parliamentary Committee—or, on reflection, perhaps not. Parliamentary committees should themselves be further developed and strengthened.

So the list goes on. The two most radical-sounding items are a Freedom of Information Act and a permanent Royal Commission to study anything it pleases. The former, as described by Sir Douglas, should really be called a Freedom of (Some) Information Act; the latter, as he in effect concedes, the Royal Commission on why the House of Lords is not a Senate.

I am not criticising Sir Douglas for coming to see the merit in disseminating more Government information following his retirement as Permanent Secretary of the Treasury and Joint Head of the Home Civil Service—in other words when it was too late to do anything about it. What else would one expect? No, the real flaw in his argument is that he fails to focus on the true problem, and hence the true solution.

The true problem is that Parliament is not a sufficient check on the Executive. Within the Executive the political section—the Governments that come and go—is ephemeral; the Civil Service is permanent. Since the Northcote/Trevelyan report of 1854 the British Civil Service has attracted some of the brightest in the land. It has developed great virtues, and even greater arrogance. The greatest arrogance of all is the assumption that it is the fount of good government—give or take some fine-tuning.

Sir Douglas' arguments for reform are based on various pieces of evidence to the general effect that Ministers control only a part of what the permanent administration does, and that Parliament has little real control over Ministers. He wants this system reformed, so that officials, subject to greater public debate and perhaps a little more scrutiny, can better serve ministers whose performance will have been improved by similar means.

It will not wash. The only way to improve the performance, and bring about real public debate, is to redress the balance between Parliament and the Cabinet. This means a radical constitutional reform based on separation of the powers (as between Congress and the White House). But perhaps that requires a greater leap—in the light—than can be provided by unreconstructed radio talks at slightly more than 3p a page paperback and a whopping 7p a page hardback, without even an index.

Douglas Wass: oracular sayings

Brilliant failure

BY MALCOLM RUTHERFORD

Randolph: A Study of Churchill's Son
by Brian Roberts. Hamish Hamilton. £12.95. 392 pages

"Dear Randolph," Noel Coward is reputed to have said, "utterly unspoiled by failure." And there is a string of such sayings about him scattered throughout this book. Robert Bruce Lockhart wrote of him early on in the Evening Standard:

"Here is a boy who, born in a less privileged circle, would have had to work hard and make his own way. As it is, he is lazy, lascivious, impudent and, beyond a certain rollicking bumptiousness, untalented, and everything is open to him."

That everything was open to him there can be no doubt. "Randolph has a great future," [Winston once said of him.] "He comes from an important political family. There's been two before—Pitt the Elder and Pitt the Younger—but never three. He's going to be a great man."

Yet the most common epitaph remains: "born to succeed; doomed to failure."

Was he also untalented, and was he doomed? Certainly he displayed great talent as a journalist. There is a despatch from Berlin in 1932 which is very good indeed and shows considerable insight into the rise of the Nazi regime.

Later he was to develop as an historian. Indeed there is a certain symmetry to his life in that he kept his hard work and his industry till towards the end. His father always used to chide him for his lack of application.

"When I was your age, I was reading five hours a day. You spend most of your time in nightclubs, staving off a vast army of debtors by eking out a precarious living as a back-journalist."

Yet when Randolph came to write his father's life there was application in abundance. "We must do our prep," was his constant refrain to his assistants.

Oscar Wilde said of himself that he had put his talent into his work and his genius into his life. With Randolph it may have been the other way round. No-one who collected such a range of anecdotes around him could have been entirely without talent—though it was to abuse as well as amuse and some of the stories do not seem so funny on paper.

In his early life he was not so much ill-fated as unlucky. If he had ever stood for Parliament for the right constituency, his career might have been quite different. As it was Brian Roberts remarks that the by-election at Liverpool Wavertree in 1935—where a theme song was "Randolph Hope and Glory"—was his finest hour. But that is with hindsight. He went on creating election stirs, but he never found a safe seat.

Mr Roberts writes perceptively that he had strength of will rather than strength of character and perhaps that was about it. Thus he accepted a bet from Evelyn Waugh and Lord Birkenhead that he could not read the whole of the Bible in a fortnight. For 10 days he surprised everyone by sticking to it.

But if they thought this would silence Randolph they were mistaken. He kept up a constant running commentary on the text and much of what he read appeared to come as a revelation to him.

"Randolph needs to be handled," Iain Macleod said at the Spectator, "and I am the only person who can do it." So Randolph was engaged to write about the press. For some time it worked until one day his copy failed to turn up and Randolph disappeared. Even Macleod had to admit that he was beaten.

The hope and the ill luck continued: the safe seat failed to turn up and Randolph thought that he might be in Macmillan's final honours list so that might take a place in the Lords that had been denied him in the Commons. But he was not.

Even when he died he was upstaged. Robert Kennedy was assassinated on the same day and took the headlines. "Poor Randolph Churchill died today," wrote his friend Cyrus Sulzberger, "as always, a footnote." Perhaps. But Mr Roberts has written an immensely painstaking and enjoyable book about him.

The author of *Paradise For Hire*, reviewed last week by Isabel Quigly, is Justin Wintle.

Randolph Churchill: shadow of papa

Pictures all tell a story

BY GAY FIRTH

Many Pre-Raphaelite artists appear opportunely in Art of the Nineteenth Century (Thames and Hudson, £25.00, 527 pages): a massive, vigorous new history by two American professors of fine arts, incorporating much new information and new interpretation. H. W. Janson's sections on sculpture get much less space than Robert Rosenblum's on painting: but their good ordering of so much art and so many makers of it—the lesser-known well represented alongside the honour roll of masters—cut broad, clear, historical swathes through a century seething with artistic reflections of political, social and economic revolution.

Pastels from the 16th to the 20th Century, by Geneviève Monnier (Skira / Macmillan £28.00, 139 pages) is a wonderful book on a medium of magical resource and subtlety—da Vinci called it "the dry colouring method"—by the Curator of the Department of Drawings at the Louvre. Over 100 plates, most of them in glorious colour, are well-spaced, well-placed through a text sparkling with elegance and enthusiasm: with a fascinating final chapter on technique. The prime documents on any artist are, of course, his or her works, as Linda Murray's big new biography of Michelangelo: His Life, Work and Times (Thames and Hudson, £18, 240 pages) makes admirably clear, along with a text based on close study of primary biographical sources.

David Posner takes a fresh look at Antoine Watteau (Weidenfeld and Nicolson, £30.00, 300 pages): the innovative genius whose exquisitely painted "fêtes galantes" glow towards the end of a life cruelly short: "une tristesse musicale" of an artist who, Professor Posner thinks, was robust and virile too, affirming joy in love as the central experience of life and art. And Michael Wentworth, in a beautiful, scholarly reappraisal of James Tissot (Oxford University Press, £50.00, 370 pages), mingles biography with art history as gracefully and coherently as could be desired from an expert who has taken nearly 20 years to complete this masterpiece.

Until Jane Abdy spotted, in a recent sale, Tissot's own "liber veritatis"—the photographic record of all his works—some pictures were unknown; they are included in this important record of a life and career which bridged "the academy and the avant-garde." French and English cultures, in the most personal, wholly remarkable way.

CHESS

LEONARD BARDEN

THE IMPROBABLE but highly effective alliance of City stockbrokers Phillips & Drew and the Greater London Council has already created two memorable grandmaster tournaments at County Hall, Westminster.

The 1980 event was notable for the strong British performance where Miles tied for first while Speelman reached a GM norm and had the world champion close to defeat.

In 1982 Karpov recovered from a poor start to tie for first. Both tournaments achieved great popularity and played regularly to packed houses both in the playing hall and the commentary room.

The 1984 Phillips & Drew/GLC Kings opens next Thursday, April 26, and promises to be at least as absorbing as its predecessors. In bringing Karpov and Korchnoi together in the same competition, the organisers have achieved quite a coup and it will be intriguing to see whether their long-standing and well-publicised mutual hostility has mellowed with time.

Another major question is whether the young British players can continue the momentum which has carried them far up the international ladder without yet loosening the Russian grip on world titles.

Britain's five currently strongest GMs will be in action, led by Miles and Nunn who have achieved 2,600 world ratings.

The full entry list is Karpov, Polugaevsky and Vaganian (USSR), Andersson (Sweden), Ribli (Hungary), Seirawan (U.S.), Timman (Holland), Torre (Philippines), Chandler, Mestel, Miles, Nunn and Speelman (England) and Korchnoi (Switzerland).

Given Karpov's consistent record of first prizes while world champion, he must be a strong favourite. Andersson, co-winner in 1980 and 1982, always plays well in London, while the talented but uneven Timman has recently struck form. The dark horse is Vaganian, little-known in the West but advancing fast to the world top.

An answering service for results will be established on 01-633 7335, and the tournament may also be covered by BBC Ceefax. The draw for pairings, which decides when Karpov and Korchnoi will meet, is made on the eve of round 1.

Play is 1.15—6.15 daily, April 26 to May 11, except for April 30 and May 4 and 10. Tickets are £4 at the hall, or £2 (subject to availability) after 4 pm. William Hartston, the BBC chess commentator, will analyse games for spectators.

Few will give much for Korchnoi's chances against his great rival following his defeat in the candidates semi-final and his variable tournament performances. But a big occasion can still inspire Korchnoi even at age 52, and his style remains as inventive as ever. This game is from an Israeli tournament where he tied for first prize.

White: M. Pasman (Israel). Black: V. Korchnoi (Switzerland).

French Defence (Beersheva 1984).

1 P-K4,P-K3; 2 P-Q4,P-Q4; 3 N-QB3,N-KB3; 4 B-N5,B-K2; 5 P-K5,KN-Q2; 6 BxB.

Korchnoi normally prefers 3...B-N5 to the knight development 3...N-KB3, so maybe White should have tried the tricky gambit 6 P-KR4.

6...QxB; 7 P-B4,O-O; 8 Q-Q2, P-QB4; 9 PxP,QxP; 10 N-B3, N-N3!

More flexible than the older plan N-QB3 followed by P-KB3, when White often controls the Q4 and K5 centre squares.

11 O-O-O,N-B3; 12 K-N1,N-B5; 13 BxN,QxB; 14 N-Q4,B-Q2; 15 P-QN3?

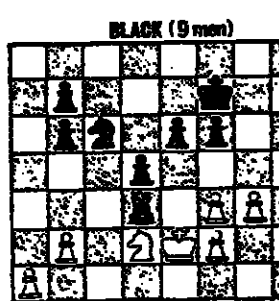
Weakening the King's defences. More thematic is 15 KR-K1 which maintain's White's options of a king's side attack (P-KN4 and P-B5) or a knight v bishop endgame.

15...QxB4; 16 NxN,BxN; 17 Q-Q4,P-QN3! 18 KR-B1,QR-Q1; 19 R-B3,P-B4; 20 N-K2,B-N4; 21 N-B3,B-K1; 22 R-R3,R-B1; 23 R-Q2,R-KB2; 24 N-K2,R(B2)-B2; 25 Q-K3,P-QR4; 26 N-Q4,B-Q2; 27 P-R4,Q-N5; 28 P-N4,BxP?

With victory in sight, a mistake; PxP is simpler. 29 PxP, PxP; 30 P-K6, B-K1; 31 NxP, P-R5; 32 P-K7? (33 Q-Q4! would make it harder), PxP; 33 P-B3, RxP; 34 Q-K6 ch, K-R1; 35 R-Q1 Q-R6; and White resigned.

POSITION No. 512

BLACK (9 men)

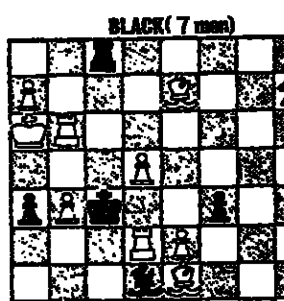


WHITE (9 men)

This diagram from a German team match is a good test of skilled endgame reasoning, despite the apparently dull position with level material. White's obscure first move is the logical choice and probably the only winning method. What should he play?

PROBLEM No. 512

BLACK (7 men)



WHITE (11 men)

White mates in two moves, against any defence (by A. van de Ven). Although only a two-mover, this problem is distinctly harder than usual and many strong solvers have taken over an hour to crack it.

Solutions, page 16

BRIDGE

E. P. C. COTTER

A NEW BOOK by Terence Reese and Roger Trezel, The Mistakes You Make At Bridge, has been published by Gollancz at £7.95, and in paperback at £4.95. The mistakes are divided into The Worst, The Commonest and Those That May Be Forgiven in bidding, declarer play, and defence. You will find this book most instructive.

Look first at this:

N
♠ 6 3
♡ Q 6
◇ A K J 7 2
♣ A 8 4 2

W
♠ K J 8 2
♡ A K 8 7
◇ 10 8 6

E
♠ 10 9 7 4
♡ J 10 9 4 2
◇ Q 9 5

South dealt at a love score and bid one club, and North forced with two diamonds, and raised the opener's rebid of three clubs to five clubs, denying any controls in the unbid suits, and that concluded the auction.

West cashed his two heart honours, and switched to the five of clubs. South won in hand, and had to consider whether to draw a second round of trumps. If he wished to establish just one more trick in diamonds by ruffing twice if necessary, he would preserve the extra entry on the table.

This time, however, his object was to establish two more diamond tricks in order to avoid the spade finesse, so he drew the last trump, and followed with Ace, King of Diamonds and a diamond ruff.

As the cards lay, the Queen fell, and there was no further problem, as two of the declarer's spades could be discarded on the diamond winners. To set up one diamond winner serves no purpose.

If the diamonds had proved unkind, with one defender holding four to the Queen and ten, then he would have taken the spade finesse, and if this was successful, the low spade could be ruffed on the table. In this hand the declarer has to be quite sure in his own mind what the problem is that is confronting him.

Now let us examine this blocked position:

N
♠ A 7 4
♡ Q 3 2
◇ A Q 10 8 5 2
♣ Q

W
♠ Q J 10 9 3
♡ J 9 6
◇ 9 7
♣ K J 7

E
♠ 8 5 2
♡ K 7 4
◇ J 6 4 3
♣ 10 9 4

S
♠ K 6
♡ A 10 8 5
◇ K
♣ A 8 6 5 3 2

With North-South vulnerable, North dealt and bid one diamond, South replied with two clubs, and North rebid two diamonds. South now said two hearts—a responder's reverse is forcing—and North said two spades.

This last bid is Fourth Suit Forcing—it does not promise anything in spades, but asks South to bid no trumps if he has a spade guard. South with his 14 points jumps happily to three no trumps.

West leads the spade Queen, and the declarer has to plan his campaign carefully. To win with the spade King, cash the diamond King, and lead a low heart towards the table is just not good enough.

It is faulty reasoning to say "If the heart King is badly placed, I can still get to dummy via the spade Ace, and will make the contract if the diamonds are 3-3, or the Knave drops doubleton."

You forgot one important thing. You need only five diamond tricks, not six. At trick two overtake the diamond King with dummy's Ace, and cash the Queen.

Now you win if the suit breaks 3-3, or the Knave drops, but you have an extra chance if the nine drops doubleton. When the nine falls, South concedes a diamond, and has nine tricks.

Star danced

BY CLEMENT CRISP

Lynn: The Autobiography of Lynn Seymour
by Lynn Seymour with Paul Gardner. Granada. £10.95. 358 pages

Years ago, when I first met Lynn Seymour—and I have known and treasured her as an artist and a friend for her entire dancing career—we were both intrigued to find that a dancer we liked had listed her occupation in her passport as "ballerina." This smacked, we felt, of hubris. "What do you want in your passport?" I asked. "Star," was the Seymour reply.

The fact of stardom, a valueless noteriety, set against the real status of being a ballerina, is an undercurrent of an autobiography, *Lynn*, which Miss Seymour has written with Paul Gardner, an American journalist. The apparent dichotomy between the Lynn Seymour who has caught the attention of press and public through the unconventionalities of her private life, and the Lynn Seymour who is a superb dance actress, is in a curious way reconciled in this disarmingly immediate book.

Like Isadora Duncan's *My Life* it is an example of narrative slickness for a public greedy for sensation, and there is sensation enough in it to keep the reader as much on the emotional qui vive as Miss Seymour shows herself to have been. The beginnings of her career coincided with the "swinging '60s," and the vastly talented young Canadian dancer was soon typecast by the media as a "kook" with a rebellious, unorthodox image off-stage. On stage her dancing was neither polite nor decorous in the accepted Royal Ballet manner, and this hectic story, with its extremes of emotional temperature and its nerves very near the surface, may help admirers of her art to understand the tensions which both contributed to her finest interpretations and finally forced her to abandon ballet.

Talent, true talent like Lynn Seymour's, is the most uncomfortable and taxing of gifts, capable of destroying the performer quite as surely as it builds the performance. The passion of a Seymour interpretation, her battles with a body thrillingly expressive—but one which was a barometer of her emotions, with "thin" meaning "well," and "fat" meaning "ill"—were matched by private passions and battles no less expressive of her temperament.

Marriages, liaisons, motherhood, collapses and triumphant returns to performance and happiness are shown as the fabric of a life pitched between artistic greatness and emotional misery. So we follow her story, illuminated by amusing portraits of friends and fellow artists (and including a very beady account of a summons to "stardom" in New York, involving Terence Rattigan whom Miss Seymour took briskly against), but with effects often overstated in a cloying roguishness of literary style which is wholly foreign to the ballerina Seymour.

Lynn Seymour is not just passion's plaything as presented by the book's Technicolor prose and roller-coaster emotions. She is the piercingly honest artist whose best portrait is in those MacMillan roles which helped shape the destiny of British ballet.

I like to think that, as she surveys this book, Lynn Seymour knows who she is, as her public also knew her: a unique artist, compelling, unpredictable, and a survivor. And incidentally, as I hope her passport now reads, a star.

Mlle Hortense, maid to Lady Dedlock, as seen by Mervyn Peake. It is one of the illustrations in "Sketches from Bleak House" edited by Leon Garfield and Edward Blishen (Methuen, £8.95). Peake was commissioned to illustrate Dickens' novel at the end of world war two, but this is the first time his drawings have been published

Fiction

Aspirers' tales

BY NICHOLAS BEST

One Thing Leading to Another
by Sylvia Townsend Warner. Chatto & Windus/The Hogarth Press. £8.95. 199 pages

A Suitable Case for Corruption
by Norman Lewis. Hamish Hamilton, £8.95. 185 pages

The Song of the Rainbird
by Barbara Whitnell. Hodder and Stoughton, £8.95. 368 pages

Up the Garden Path
by Sue Limb. The Bodley Head, £7.95. 231 pages

When you buy a mixed case of wine, you must always be prepared for a couple of dud bottles among the good vintages. The same is true of Sylvia Townsend Warner's *One Thing Leading to Another*, a posthumous collection of short stories written over the past 40 years, some published before—mostly in the New Yorker—others in print now for the first time.

At her best — notably in the routing of vicars' wives bent on doing good, of eccentric upper-class families grappling with country life, of two women bidding at auction for something neither wants — she is superb, every bit as good in her way as Saki. She has a sharp eye for human folly and a considerable gift for characterisation. The redoubtable Mr Edom, who runs the Abbey Antiques Gallery, the appalling Mrs Otter, who shares his quest for a bargain, are splendid creations, walking vignettes of an England everyone must surely cherish.

So, too, is the elfin kingdom of Deuce, a mythical fairyland in the Pennines which somehow mirrors all the vices and virtues of the human world. Miss Warner was blessed with a strong and wide ranging imagination, here displayed in a veritable Oddbin of choice.

Norman Lewis's *A Suitable Case for Corruption* is a routine spy drama, based on a fictitious series of events leading up to the assassination of Egypt's Anwar Sadat. The action is set mostly in Libya, where a CIA attempt to destabilise the regime of Colonel Gadaffi is unwillingly foiled by an English journalist named Kemp, whose taste for adultery and illicit drinking parties leaves him open to blackmail by the Muslim authorities.

As cloak and dagger, *A Suitable Case for Corruption* is not quite in the Le Carré league. It has certain structural problems, not least a lack of narrative push and an unconvincing timetable that requires the action to take place against an ever ticking clock. As travel-writing, though, it is excellent. The detail is authentic and well researched, and the author combines a sound knowledge of expatriate life in Libya with a deep understanding of the Arabs and their place in the world.

Further south, Barbara Whitnell's *The Song of the Rainbird* charts the career of schoolmarm Kate Carswell from her arrival in Kenya in 1906 to her emergence as one of the settler community's grand old ladies in the fraught Mau Mau years of the early 1950s. From Kate's fiancé — an aristocratic young ne'er-do-well sent out to make his fortune in the early days — to the daughter he fathers on a Kikuyu woman, to the black grandson who takes ultimately to the forest as a hard-core terrorist, this is a three-generation family saga with a difference.

Kenya, of course, has a unique place in the history of the English abroad, and Barbara Whitnell admirably captures the flavour of what was by and large the happiest of valleys. She herself was a long-term Kenya resident, familiar at first hand with the colonial ethos and the awful bitchiness of the small-time Nairobi memsahib. *The Song of the Rainbird* contains little of the macho white-hunterish nonsense of Robert Ruark; it concentrates instead on the real Kenya of roses and chrysanthemums, bone china and tea parties on flowering up-country lawns.

Schoolmarms again in *Up the Garden Path*, an enormously entertaining first novel by Sue Limb. Izzy is fat, spotty and hopelessly in love with Michael, a media man from the BBC. She works in Islington, he has no intention of leaving his wife. To pay him out, Izzy sleeps first with Hywel and then with Dick, the pottery master, an arrangement that only comes to an end when Izzy answers Michael's advertisement for a lodger and moves in with him and his wife, from whom no secrets are hid.

Not, on the face of it, an original scenario. But the author's strength lies in her ear for dialogue.

West coast

California Writers
by Stoddard Martin. Macmillan, £20. 224 pages

"Ca-li-for-nia . . . here I come/Right back where I started from." So we sang in the cinema as the mighty Wurlitzer came up from the depths. And the magic was not that of Hollywood alone. Part of it was in the mystery, the otherness of that state where—in John Steinbeck's phrase—"westering" ended.

If, therefore a critic entitles his book *California Writers*, we are bound to have expectations. They are legion; even if they date from less than a century and a half ago when, more by accident than design, the U.S. took over the territory from Spain. There was Bret Harte—and Mark Twain, with his "Celebrated Jumping Frog." There was Ambrose Bierce, and Richard Henry Dana; Jack London; and that "Byron of the Sierras," Joaquin Miller; Edwin Markham, "The Man with a Hoe"; Frank Norris and "The Octopus." There was Gertrude Atherton, and Mary Austin. There was Robinson Jeffers, glowering from his stone tower at Carmel. In more recent times there have been William Saroyan, George R. Stewart with his Henry Green-like titles; John Steinbeck, Henry Miller, Nathanael West, Kenneth Rexroth, Josephine Miles, Raymond Chandler, Wallace Stegner, Gary Snyder, Ginsberg, Ferlinghetti, Kerouac, Kesey, Didion, Brautigan and Bukowski.

Not to speak of stray Englishmen like Huxley and Isherwood, whose work was deeply affected by the Californian ethos. Senora, I could go on like this forever, as Edmund Wilson said in "The Omelette of A. MacLeish."

Not so Mr Stoddard Martin. He has solved the problem of proliferation by omitting everyone except Jack London, John Steinbeck and what he labels "The Tough Guys": Chandler, Hammett and Cain; his thesis being that only they reveal "what is most (sic) unique and representative in the culture of California."

He begins by discarding "those twin literary gods of the Gold Rush," Harte and Twain, because they were born in the East and merely used the West for "journalistic" purposes. Their stories, says Mr Martin, bear the same relationship to the mainstream of California writing as *Robinson Crusoe* bears to the mainstream of English writing.

While we are still reeling from this comparison, he hits us with the assertion that, just as Jane Austen, George Eliot, and Henry James "flow in the same bed" as Richardson and Fielding, who (as everyone knows) began the "great tradition" of English literature, so Steinbeck and "The Tough Guys" "flow in the same bed" as Jack London. What is it, then, that makes London the first of the "great" California writers? It is, says Mr Martin, his dream of a "utopian pastoral society of the strong."

One cannot but be charmed by the sheer effrontery of Mr Martin's obviously unconscious Californian chauvinism. Despite London's influence in the Communist world, he is not in the first rank of American writers; Steinbeck may have been awarded the Nobel Prize, but so was Pearl Buck. The strength of American writing is elsewhere, in Hawthorne and Melville, James, Fitzgerald, Hemingway and Faulkner, not to speak of the poets, who get no mention at all in this inflated, overpriced book.

GEOFFREY MOORE

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HOW TO SPEND IT

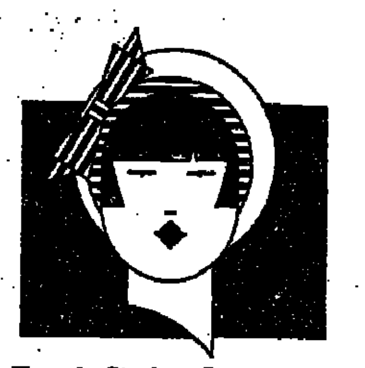
by Lucia van der Post

Drawings by Pauline Rosenthal

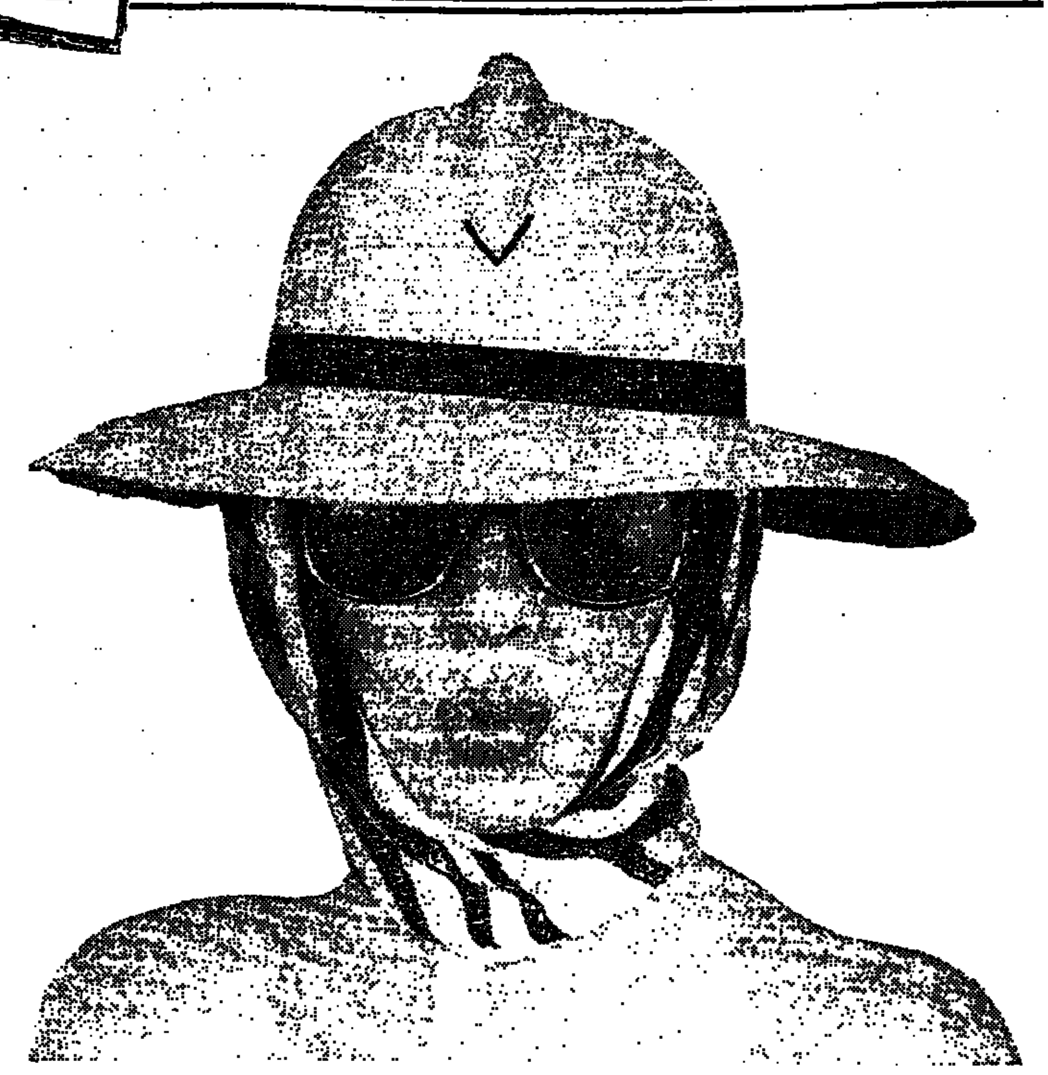
Made from finest navy straw this delicately elegant hat is one of a range made by La Mouche. Liberty of Regent Street, which sells the collection in a new hat department in the designer clothes' room, reports that navy and white is the colour combination this year. This hat is typical, too, in its neat, small shape. Trimmings are more discreet, brims are smaller and there are fewer full-blown roses to be seen. Trimmed with navy blue and white striped ribbon and a little group of artificial flowers, this hat is £41.50.

Another small, neat shape, this time irrevocably reminiscent of the 1920s. It is surprisingly flattering to most shapes of face and can be trimmed up or down, depending upon the mood. Made from sisal straw it comes from The Hat Shop, Neal Street, London WC2, and is one of the shapes that it is prepared to produce in any colour for no extra charge. It can also be trimmed to order. It looks good for summer in natural sisal trimmed with white ribbon or for a more sophisticated combination there is mustard yellow trimmed with black. £26.90 (mail order £1.50 extra).

A cloche hat in finest straw designed by the Chapeaux division of Gay Ironmonger, it adds the last finishing touch to the whole 1920s look that pervades this dress designer's summer collection. I see it as straight from the sepia photographs of the high days of Deauville and Biarritz but Gay Ironmonger says it belongs more to the "last days of the Raj"—certainly it looks wonderful with her Colonial style tea-dresses. Only available in fine white straw trimmed with a few tiny white artificial flowers, it is £32.25 from The Hat Shop in Neal Street.



Here is Stephen Jones, one of the brightest of the young hat designers, in distinctly nautical mood. It's Deauville-time again. In pure heavy duty cotton, it comes in either red and white or navy and white and again it would look marvellous with all those long, lean low-waisted dresses currently about. Dress it up with big sunglasses, flat shoes and a sporty sweater slung about your shoulders and all you need then is your yacht. Browns of 23-27 South Molton Street, London W1 sells a good selection of Stephen Jones' designs. This particular model is £80 (Browns will sell it by mail for £2.50 extra).



The results of the British Home Stores' young designer hat competition have just gone into most branches and they offer exceptional value for money. Photographed above is the winning design—a safari-style hat that any Memsahib would have been glad to shelter under away from the noonday sun. Designed by Josephine Mary Hudson, a student at the Epsom School of Art and Design, it comes in one size only, is made from 100 per cent straw and is trimmed with a narrow black ribbon. Here it is dressed up with a pair of enigmatic sunglasses, a chic black and white scarf and the whole effect looks infinitely more sophisticated than the £4.99 price tag might indicate.

Scoring a hat trick—or two

THE whole point about hats is their exceptional uselessness. Unless it be a sunhat or a sou'wester nobody really *needs* a hat. Hats are all about magic, about creating a sense of illusion and allure. As David Shilling, one of our best young couture hatters said when I first met him—"If they're not going to make you beautiful, why wear them?" He was not in favour of the modern fad of turning them into items of everyday apparel. He believed in keeping them for special occasions. That way their special magic would never be diminished.

He and Miss Piggy would have agreed. Miss Piggy it is who believes that "One's chapeau provides the perfect opportunity for a profound fashion statement. Your hat should not merely say, 'here is my head,' but rather it should convey a sense of allure, mystery, even intrigue." Her own chapeau, Miss Piggy fans will remember, was chosen because she believed that it said louder than any words, "Oui, I have time for one quick chocolate malted in the cafe with the umbrellas that have tables on their handles, but then I must board the Oriental Express for a rendezvous with the Duke of Candelabra in the lovely, yet sinister, Kingdom of Rutabagia."

If this is your philosophy, too, the good news is that hat departments and hat shops are flourishing. Ever since the wedding millinery departments, once shrouded in a funereal gloom, have blossomed.

The new young breed of hat designers are as quick on the uptake as any commodity trader so that today it is possible to buy a wide range of up to the minute hats at prices ranging from as little as £4.99 for the British Home Store safari-style number photographed above up to £250 for a very special couture designer model.

If real magic in the shape of a one-off designer hat specially made for you is what you're after then for sheer deliciousness I think it is hard to beat David Shilling. He is almost fanatical in the care he takes to match the hat to the face and the personality. His enthusiasm and his charm are irresistible. He has moved now to 44 Chiltern Street, London W1 but you'll have to be prepared to pay anything from £100 upwards.

If that seems expensive let me remind you of the story of the legendary late Christian Dior. He concocted a hat out of a wisp of tulle and a flower and handed it to a rich and valued client, together with a very large bill. When she complained about the price, claiming that the materials were worth little more than a few francs, Dior took the hat apart, handed her the tulle and the flower and said, "the materials, Madame, are free." That not only shows true style, it also expresses the philosophy behind the couturier's work—that creating a beautiful and appropriate hat is an art and that just as you don't value a picture by adding up the cost of the oils and the canvas, so it is with hats.

For most of us, though, a chapeau Dior is about as out of reach as a Picasso and we have to look at less expensive ways of garnishing the ensemble.

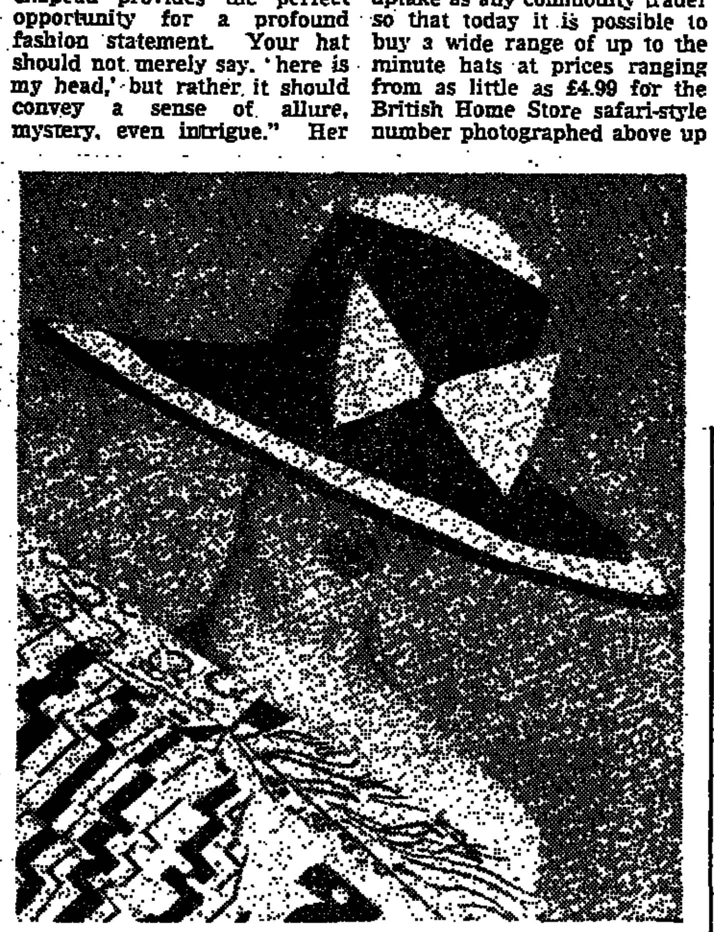
Most good department stores now sell very good ranges of hats. Look out for names like La Mouche, Viv Knowland, Graham Smith. In the autumn John Boyd, himself a distinguished and well-established designer of model hats, will be selling what he calls his "boutique range" in good department stores up and down the country. He is immensely generous about the design talents he sees about him—"I've seen some very good cheap hats around—many of them have extremely good lines, it is just the finish that is bad." And therein lies some sensible advice for those who cannot afford the creme de la creme—choose a hat with a good shape, a fine line and you won't go far wrong. Never economise on the trimming—if it is cheap, it is better to do without.

For those who have a slightly different approach to hats and believe that they are much too much of a good thing to be kept just for high days and holidays, The Hat Shop is with them all the way. It believes that hats are for every occasion from supermarket shopping to cinema-going—in other words, it sees hats as authentic street fashion and therefore offers them at prices to match.

It sells hats for men, women and children (some especially enchanting Railway Children berets) at prices starting as low as £6 for a little cotton beanie and not going up higher than about £50.

Various hat designers like Sandra Phillips, Judith Kerlander, Jerry Howit work for it and in the shop you may see styles ranging from picture straw hats to straw boaters, white cotton pique hats and sisal pillboxes, 1920-style cloches and Nehru cotton caps as well as outrageous Siggi cocktail hats.

As a major service it offers to dye up certain shapes and styles to any colour the customer chooses—it will also trim hats to order. For those who can't get to London's Covent Garden the good news is that The Hat Shop is about to bring out a mail order catalogue and anybody who sends a large stamped addressed envelope to The Hat Shop at 58 Neal Street, London WC2 will be sent one as soon as they are ready (in about 10 days' time).



• A taste of what the autumn holds—John Boyd, long one of the capital's most distinguished hatters, has just unveiled his first "boutique" collection. Hitherto, he only made one-off hats to order and to measure. Now that he has bought one of the oldest, most established blocking businesses in town, he has set up a partnership which will result in women up and down the country being able to buy his hats in leading department stores and boutiques. Whereas his "couture" hats start at about £80, go on up to £250, but mainly hover between £100 and £150, the boutique collection will sell at prices ranging from £35-£55.

For autumn he envisages tailored boaters (should be worn straight and slightly forward), cloches, turbans and berets. He likes to use peachbloom felts and melusines trimmed with bands, bows, veils, ribbons or feathers. Shown sketched above is a peachbloom felt with the veiling tied at the back with a narrow ribbon. It will sell at about £40.

• Right—this photograph shows more eloquently than any words what spending well over £100 on a hat can do for you. A stunning black and white soft straw hat from David Shilling, the pride and joy of his summer collection. All his hats are one-off models, made to order and if you wonder at the size of the price tag a trip to the showroom at 44 Chiltern Street, London W1, will show you just what couture hats are all about. Handmade and dyed trimmings, fine straw, attention to detail, and artistry are what sends prices soaring.

When it comes to how to wear the hat most beauty writers tend to recommend you focus on the eyes—with the hats in our two photographs it doesn't seem worth the bother. Concentrate on the lips—lips, you will have noticed, are being worn pursed this year. If you find that all that pursing causes tiny lines around the mouth to develop, Revlon, the beauty house which took the photograph, has just the answer—its Lip Colour Control Cream, £3.50 a tube.

Child's play

CHILDREN have this inconvenient habit of not staying the same size for very long at a time and given that their clothes seem to cost very nearly as much as adults' keeping them warm, decent and fashionable is an expensive business. Two small companies, started by mothers with their own firm ideas of what attractive mini-dressing was all about, offer a solution for those who are energetic enough to do some of the work themselves. Both sell ready-prepared kits, one for designs that have to be sewn, another for knitwear.

Hopscotch of 251 Brixton Road, London SW9, has produced a small, fetchingly illustrated leaflet showing a small, edited collection of charming and fashionable clothes for boys and girls, all of which come absolutely ready for the needle or the sewing-machine. Designs range from tough playwear like dungarees and quilted jackets through to the sort of smock dress that nanny would have loved.

All the designs have been simplified so that the making-up is as easy as possible and alongside each garment is an estimated work time — for instance the smocked dress requires six hours for beginners to do the smocking, two hours for making-up the dress.

The simple yoke style dress with kimono sleeves, shown sketched left, costs from £5.40, depending upon the style and the fabric. (Most styles come in a choice of fabrics, colours and details of which are shown at the back of the leaflet and extra materials can always be ordered by the metre.) The party smocked dress is £11.75 or £12.25, depending upon the size and the baby's playsuit sketched below right is £5 in a floral fabric, £6.90 in a stripe.

For a copy of the leaflet just write to Hopscotch at the address given.

Knit Kits of 10 Recreation Road, Guildford, Surrey, has as original and charming a collection of knitwear designs for children as I've seen. All the designs are the work of Lesley Anne Price who first made them for her own children and then for admiring friends. Now she supplies complete kits of all her designs for children up to eight years (27-in chest). For a full-colour catalogue send a stamped addressed envelope to the address given.

Anybody looking for inexpensive outdoor play equipment for their children should send for a copy of the new Montrose Products catalogue. Not a big glossy production, just a utilitarian, informative, well-illustrated listing of all it does, it seems to offer excellent value for money. A commando frame, for instance, consisting of a strong tubular steel frame, 7 ft 6 ins long, 5 ft 2 ins high and 5 ft wide, is just £35.95—an additional slide is £14.95.

For small urban gardens, lacking in space and facilities, the polypropylene moulded unit photographed here is an excellent buy for very small children. It costs £27, can be folded up for winter storage, and allows the children to dabble in water and sand.

There are also netball posts and football goal trainers, climbing frames and swings, scrambling nets and nursery rockers—all in all a useful way of buying by mail any of the sturdy equipment the active child might need. Look too for a choice of some six different trampolines.

An old-established family company, it claims to have the biggest and most comprehensive selection of outdoor play equipment (as opposed to toys) for children at some of the keenest prices. Everything it sells comes with a guarantee and an offer of your money back if you're not completely satisfied.

For a free copy of the catalogue write to Montrose Products, 28-34 Fortess Road, London, NW5 (Tel 01-485 6751). There's also a showroom at the same address, open Mondays to Fridays and Saturdays until 11.30 pm.

THE ARTS

The Sicilian Vespers

BY RONALD CRICHTON

Verdi's *Sicilian Vespers* followed on the eve of *Rigoletto*, *Trovatore* and *Traviata*, as the first of the big, untidy, magnificently rewarding operas from *Boccanegra* to *Carlos* which in their turn led to the later masterpieces. There is a difference. The *Vespers* is a French opera, Verdi's first new score for the Paris Opera — *Jérusalem* in 1847 had been a re-working of the Italian *Lombardi*. Verdi was aiming deliberately at a Meyerbeerian spectacular. As his collaborator he chose Scribe, the leading librettist of the day, and gave the wily and experienced purveyor of verse and situation a tough ride for his money.

After many toings and froings of ideas the subject was agreed — the massacre at Palermo in

Alastair Muir

Rosalind Plowright

1282 of the French occupiers of Sicily. (Scribe's version of history was not accurate.) The opera was produced in Paris in 1855, achieving wide circulation in the subsequent Italian version. It was recently restored to Paris, in the production by John Dexter previously seen at Hamburg and in New York. This staging reached the Coliseum in London on Thursday night, as an exchange with the ENO *Fidelio*, in the new English translation by Edmund Tracey.

Well worth seeing. The musical account is mostly superior. The production, though relentlessly gruelling to the eye, will do. The *Vespers* doesn't overflow with the irresistible lyricism and human compassion of the operas which followed in the canon, yet the score is vital, terse and backed with sustained interest. Meyerbeer is rethought by a younger contemporary who admired and understood his innovations and was a composer of altogether stronger fibre.

Dexter is now named as "director," Fabrizio Melano as "producer." Presumably the lowering grey set by Svoboda, based on a great, curving flight of stairs, and the mainly black and white costumes, of Skalicki, date back to the Hamburg original of 1969. They look dated now, like an example of "modern opera production" in an illustrated manual. The stairs have the useful advantage of providing different levels and massive chorus groupings, with the attendant drawback of inhibiting movement and inviting monotony. Too much top-lighting shades the singers' features and obscures the vital distinction between occupying forces and locals.

Mark Elder conducts, soundly and sensitively, rightly avoiding facile snappiness in music which already crackles with nervous energy. There were moments (for example in the accompaniment to Elena's wedding bolero), where the biscuits went soggy. The chorus, bravely negotiating cloaks and drapes on the omnipresent stairs, had a good evening.

The most fully realised of Scribe and Verdi's characterisations is Montfort, the French governor, who receives a distinguished performance from Neil Howlett. We are lucky to have such a fine Verdi baritone on our own ground. Much interest centred on the Duchess Elena of the greatly gifted young soprano Rosalind Plowright. On Thursday, the voice was ample, boldly projected, full of colour, with occasional curdling safely under control. More refinement will no doubt come. So, one hopes, will greater economy of movement and gesture, so far vague and restless. Miss Plowright's words are clear but not particularly subtle or meaningful.

As Arrigo the Sicilian patriot revealed as Montfort's son and thus torn in opposing directions, Dennis Collins sang with a firm generosity and began to take toll of the voice in the last act — more variety of dynamics might be wise. Richard Van Allan brought an air of great distinction to the flat role of John of Procida without quite disguising an insufficiency of tone for the later scenes.

A critic among the thorns

BY NIGEL ANDREWS

Life Is A Bed of Roses (PG) Chelsea
And The Ship Sails On (PG) Academy
Footloose (15) Plaza
The Golden Seal (PG) ABC Shaftesbury Avenue, Classics Haymarket and Oxford Street

Sometimes a film critic searching for his first sentence is sent symbolic help from the outside world. A bird just landed on the rose-bush outside my window and started anxiously pecking the glass, obviously baffled that it wasn't thin air. The critic who has just seen Alain Resnais's *Life Is A Bed of Roses* knows exactly how he feels. In this triple-decker comedy-fantasy, however much you peck at the screen it doesn't yield easy access. And meanwhile you dance about on the thorns of allegory chirping anxiously for assistance.

At the *Venice Film Festival* where I first saw the film, in French with Italian subtitles and technical hitches (it had to start again after 10 minutes), I wondered if I or the movie was becoming more deranged. Vittorio Gassman, Ruggero Raimondi, Geraldine Chaplin and Fanny Ardant romp through *parallel parables set in a follyish castle in the Ardennes*—one in the 19-teens, the other now—and everyone keeps bursting into song except opera star Raimondi, as the castle-building Count, who is the one person one might want to.

In the first story Raimondi celebrates the end of World War I by organising a grand Utopian experiment. He will drug his willing friends and reawaken them to new lives and new consciousness. All play the game except Raimondi's beloved, Fanny Ardant, who won't yield up her consciousness—though she pretends to—for any promise of spiritual rebirth and who ends by dramatically pranging the whole project.

In story two, which is freely intercut, the castle hosts a present-day conference on the "Education of the Imagination," another attempt to blueprint Utopia which ends in chaos, as different alliances, love affairs and enmities fissure the initial harmony. And the knock-out punch for those already reeling from the film's intricacy of structure is that there is a *third* interwoven strand: a dragon-and-damsel fairy tale set in cartoon-like decor, which is the children's vision of Utopia won or lost.

Life is a Bed of Roses — hitherto *La Vie est un Roman* (of which the most frontal translation, *Life is a Romance, might ironically have been the* best) — grows on you like a rambling rose. The more times you see it the more it spreads its fragrant charm, and reveals its shape and meaning. The more also it digs its thorns in when you least expect. There should be either more or less, I feel, of the sudden bursts of song. "Amour, bonheur, harmonie!" break out the choric courtiers without warning in story one, and in story two Gass-

Vittorio Gassman and Geraldine Chapman in Life is a bed of roses.

man as the handsome architectural genius "Walter Guarini" motorcycles up to the castle to a mass operatic welcome of "C'est Guarini! C'est Guarini!" These abrupt, disorienting song touches are like being attacked by a chorus of *Tannhäuser* on the tube or a sudden burst of *Pelleas et Melisande* from your postman.

But there are also scenes of spry subversion and high enchantment. The drug-ordaining Raimondi is a marvellous po-faced presence, like a bass-clef Vincent Price. His name "Forbek," is Beckford backwards, in tribute to the eccentric Englishman who built Fonthill and wrote *Vathek*). And cameraman Bruno Nuytten, lighting this story in dark gold and rose and azure like an heraldic netherworld, beautifully points up its contrast to the more limpid, loose-jointed modern tale.

The film delights by dealing out a Damascene paradox. It shakes its head at the impossibility of creating Utopia by decree; but it comforts us by saying that what wrecks such projects — the child in us, the petulant curiosity and prickly individualism — is also what keeps the fires of aspiration and imagination always alive. Don't look for Utopia Ltd, say Resnais and his screenwriter Jean Gruault (of *My American Uncle*). Look for Utopia unlimited, for the everyday romance and idealism all around us.

*

Romance is usually all around us in Fellini's films, too, but it comes in rebarbatively wacky guise in *And the Ship Sails On*. In this high-seas Barnum and Bailey, the ringmaster cracks his whip and orders a mostly British cast (including Freddie Jones, Barbara Jefford and Janet Suzman) to stand on its hind legs for two and a-quarter hours while life on a luxury liner is piquantly, prolixly portrayed.

A consortium of opera stars have hired the ship for a funeral voyage in honour of a lately extinguished diva, whose ashes they are transporting at her request to a remote island. Time: 1914. The ship, as we expect from Fellini, is a studio-built leviathan, the sky is an irridescent backdrop and the sea is a sparkling expanse of undulating polythene.

This artifice is both witty and breathcatchingly beautiful. (Even the smoke from the funnel is a painted cardboard plume.) But Fellini makes the mistake of "pointing it up": first with the arch joke of a character saying, "Look at the sunset — it's so beautiful it might have been painted" (which of course it is), then with a last-scene, illusion-exposing cutaway to the studio lights and cameras.

After a richly funny beginning, the story and characters fracture into a series of fluttery, tittery vignettes, with Fellini's uniquely cavalier post-dubbing making everyone seem to speak with voices lent by belowdecks ventriloquists. But the images at least are magnificent.

*

If Hollywood had ever hired Henrik Ibsen to write a disco musical, he might have produced *Footloose*. Deep in the repressive town of Bomont, U.S.A., lurks the dance-hating Reverend Shaw Moore (John Lithgow), a Midwestern *Manders, who shakes* a pietistic finger at any teenager daring to tap a toe, cut a rug or mott a hoople anywhere in his parish. Kevin Bacon is the itchy-footed youngster who defies the churchman, with the aid of the latter's "free-spirited" daughter Lori Singer, and searches for passages in the Bible to justify the high school dance that must, we know, climax the movie.

There are no passages in the Bible, however, that would justify this film. Herbert (*Pennies From Heaven*) Ross directs a musical at once under-melodious and over-moralistic, and the appalling script is by someone called Dean Pitchford, a name dangling between Heaven and Hell if ever I heard one.

*

I am all for sending the Reverend Shaw Moore to the Aleutian Islands, setting for *The Golden Seal*, to discourage promiscuous sentimental relationships between boys and sea mammals. The title is "golden" purely by virtue of being filmed with a gold filter (along with everything else caught in the same shots, including sea, shingle and befriending boy hero) and it frolics mythically away for 90 *minutes in this gentle, harmless* but feebly plotted heart-tugger. The best thing in view is the scenery, which when allowed to speak for its unfiltered self is rough, elemental and roaringly beautiful.

BP supports master classes

British Petroleum is to provide £20,000 over the next four years to enable young musicians and singers of outstanding ability to receive guidance and tuition from some of the world's *most eminent* virtuosi.

Channel crossing

Radio 3 and Radio 4 both bless them, celebrated Sir John Gielgud's 80th birthday last Saturday. Radio 3 the better of the two. Radio 4 borrowed *Passing Time* from Radio 3, a play that it hardly worthy of its author, Rhys Adrian (who gave us just a pale reflection of *Home* and *No Man's Land*), or of its director, John Tydeman, or even of its star. But Radio 3 repeated *Glory* from the first series of *Barnes's People*, a glittering monologue in which Sir John, as a self-satisfied philosopher, evangelist, would-be martyr, possibly saint, addresses the public before mounting his funeral pyre. This is Sir John at his versatile best.

While I am comparing channels, Radio 3's inauguration of Holy Week certainly beat Radio 4's. Bach's *St John Passion* on Sunday morning even kept me away from *The Food Programme*, normally indispensable. Radio 4 had nothing better to offer that day but *Stainer's awful Crucifixion*, which belongs if anywhere, on Radio 2. If I go on to say that Radio 3 beat Radio 4 at weekend drama, it is no more than to record a greater effort rather than a greater success.

Radio 3 gave us a two-hour drama, *Boney Jan and the Flying Man* by Nigel Baldwin. The first thing we hear is an RAF plane, with an apparently insane pilot, plunging into the sea. Then we hear why, the narrative being cunningly wound, as a series of flashbacks, around the interrogation of Boney Jan (Miss Jan Bonney) by the Special Branch. Jan has been working for a relief organisation in a hungry and politically-disturbed African emergent nation, where she meets Flight-Lieutenant Kelly, pilot of a plane dropping supplies. She returns to England and they live together, apparently without causing any comment in the Officers' Mess. But her sister is an active left-wing demonstrator; bit by bit, Kelly shifts from his conventional neutral position and adopts an increasingly antipathetic attitude towards his job and his background.

When Kelly and Jan have both been interviewed by Security, things break under the strain and she decides to go back to Africa, where she is falsely reported killed. This is too much for Kelly; he nicks a plane and flies it into the drink. Naturally Security believes he was heading for Russia.

The tale works on about the level of Nevile Shute, but in spite of the ingenious knitting of interrogation and flashback, I thought the writing inadequate. Jan, describing an American agent: "He had so many lines on his face you could have run a commuter service over it." Breaking off with Kelly (whom she always addresses by his surname): "I never loved you, not from this pulsating organ known as the heart." Such sub-intellectual chat won't do in a romantic script, and poor Charlotte Cornwell had to deliver it like a lecturer.

Another factor I shouldn't have minded, but did, was the strong left-wing slant; all the sympathy piled on the side of Jan and her activist sister, the British government portrayed

RADIO

B. A. YOUNG

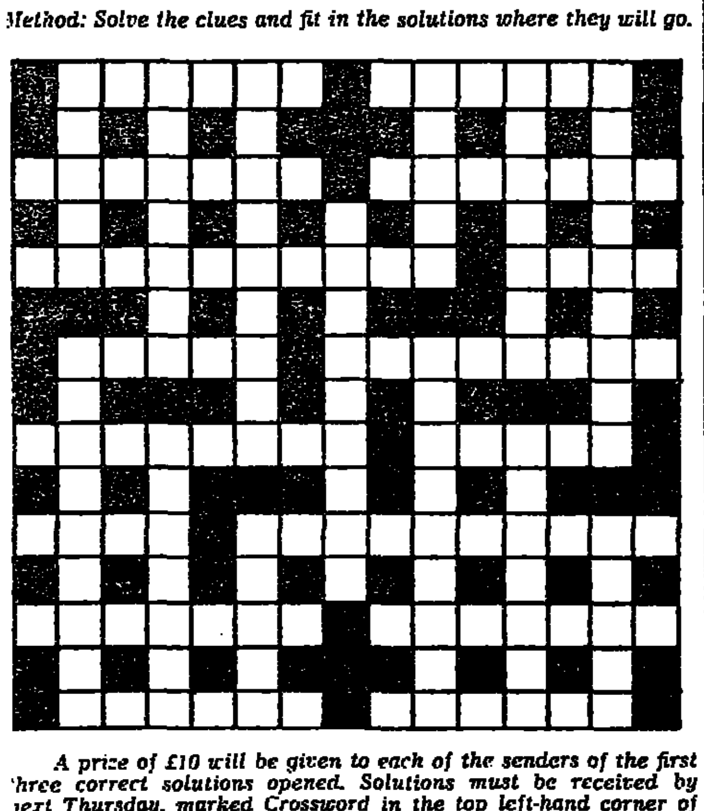
as a military dictatorship, the suffering in Africa attributed to the Americans and the capitalist system. Tom Wilkinson had the colourless part of Kelly, Susan Wooldridge the cliché part of Kate. Richard Wortley directed.

What had Radio 4 to compete with? Well, they had Saturday Night Theatre, one of their main showplaces, and there we got *Taking Over*, an old piece by Mervyn Jones. In the Long Meadow, on the Pulteneys' estate, the tribe camp in their caravans. "The tribe" act like *gipsies, but they seem* to have come from East London. They do odd jobs, have children and scarper, but they are so lovable that they soon win over Lady Patricia Pulteney, who allows them little by little to make themselves at home, first in the Long Meadow, then in the park, finally in the house (even in her bedroom).

How all this happened without a word of contention from the County, the neighbours, the local tradesmen (who would soon all have had their jobs taken over by the tribe) is something that Mr Jones doesn't bother us with. Indeed I don't suppose he expects us to believe a word of it, in which case I am on his side. Freddie Jones is woefully undercast as Archibald Pulteney — Archibald! honestly!—Vivian Pickles does an upper-class lady as Lady Patricia. Jon Strickland does a Cockney as Bonzo of the tribe. Michael Heffernan directed.

F.T. CROSSWORD PUZZLE No. 5,398

Method: Solve the clues and fit in the solutions where they will go.



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

A is for agony — pine when beheaded (7)

B is for the BBC hirer entering the world backwards (6, 5)

C is for bobbed model's eye in oasis of cheese (9)

D is for love, turning to one in a county (8)

E is for eulogies I came on distractedly (7)

F is for French works concerned with dress (4)

G is for store that may be green —cry with gore? (7)

H is for set for ringing and wringing? (4-5)

I is for frozen shelf, where I toboggan by the sound of it (3-5)

JW is for sorcerer, bringing gospel to Somerset towns (4, 10, 5)

K is for part of castle suitable for training? (4, 3)

L is for what fast bowler has in common with successful play (4, 3)

M is for smelly beast, all returning to knock out an unknown (4-2)

N is for film directo... name without E) (5)

O is for willow: 'e mak... ing (5)

P is for water that isn't warlike (7)

Q is for piano, best way to go? (7)

R is for quick thinkers? (5, 9)

S is for most sensible. South African birds' home (6)

T is for guard on digit—just what Tom's not! (5-5)

U is for ordinary amount of money-lending—a pound (5)

V is for a tent veil, changed to air (9)

W, see J

X is for instrument made of onyx—O help! (9)

Y is for young—Wilson? 'e's after you! (4-3)

Z is for breeze—you'll need a vest (6)

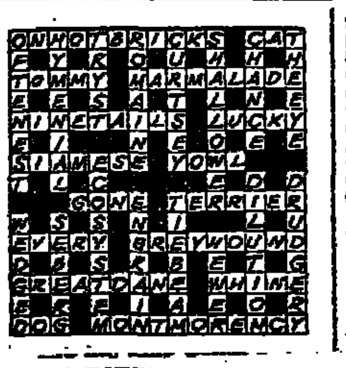
Solution to Puzzle No. 5,397.

SOLUTION AND WINNERS OF PUZZLE NO. 5,393.

Mr R. Rose, 277 Beverley Road, Kirkella, Hull.

Mr J. S. Young, 30 Litchfield Way, London, NW11.

Mr T. W. McLean, 16 Belgravia Road, Wakefield, West Yorkshire.



BBC 1

† Indicates programme in black and white

8.45 am The Saturday Picture Show. 10.45 The Pinchcliffe Grand Prix (the puppet movie). 12.12 pm Weather.
12.15 Grandstand, including 12.45 News; Football Focus (12.20): Snooker (12.50, 3.10, 3.55) Commentary on The Embassy World Professional Snooker Championship from the Crucible Theatre, Sheffield; Boxing (1.40, 4.15) Commentary from the U.S.; Racing from Haydock (1.55, 2.25, 2.55): Judo (2.05) TSB British Open Judo Championships from Crystal Palace; Modern Pentathlon (2.35) The Diners Club International Sporting Seven: Final Score (4.35).
5.05 Anything Goes.
5.45 News.
5.55 Regional Variations.
6.00 Some Mothers Do 'Ave 'Em, starring Michael Crawford as Frank.
6.30 The Laughter Show.
7.05 The Action Film: "Cat Ballou," starring Jane Fonda and Lee Marvin.
8.40 News andSport.
8.55 Driving Ambition.
9.45 Cagney and Lacey.
10.35 Match of the Day.
11.25 Saturday Late Film.

REGIONAL VARIATIONS

Wales—5.55-6.00 pm Sports News Wales.

Scotland — 10.45 am-12.12 pm "The United Shoelaces Show." Easter Special with Tiger Tim Stevens and Joe Austen. 5.55-6.00 Scoreboard. 10.35 Connolly with Donnelly. 11.15 Perry Como's Easter by the Sea. 12.05-12.10 am Jesus Christ is Risen Today: a flourish heralding Easter Day.

Northern Ireland — 12.15 pm Grandstand as BBC 1 except 2.10-3.50 Rugby: The AIB Cup Final from Ravenhill. 4.55-5.05 Northern Ireland Results. 5.55-6.00 Northern Ireland News. 11.25 There Is A Green Hill. 12.05 am Northern Ireland News Headlines.

England—5.55-6.00 pm London—Sport: South West (Plymouth)—Spotlight Sport: All other English Regions—Sport/Regional news.

BBC 2

10.25 am World Snooker: The Embassy World Professional Snooker Championship from the Crucible Theatre, Sheffield.
3.10 pm Saturday Cinema: "Funny Girl," starring Barbra Streisand and Omar Sharif.
5.35 World Snooker. Further coverage of the Embassy World Professional Snooker Championship.
6.35 Shakespearer in Perspective: "Coriolanus." General Sir John Hackett introduces tonight's play.
7.00 News and Sport.
7.15 Snooker.
7.50 Rugby Special.
8.40 The BBC Television Shakespeare: "Coriolanus," by William Shakespeare, starring Alan Howard as Coriolanus, including 10.10 interval.
11.05 *Easter Vigil. The Archbishop of Canterbury* is the main celebrant of tonight's service from Canterbury Cathedral.
12.35-1.35 am World Snooker (highlights).

LONDON

6.25 am TV-Breakfast Programme. 9.30 Sesame Street. 10.30 The Smurfs Springtime Special. 10.55 Laurel and Hardy in "Swiss Miss."
12.15 pm World of Sport: 12.20 Motorcycling — The Wrangler/Which Bike? Yamaha Pro-Am Challenge; 12.35 Cycling — Spring Classics Review: 12.45 News: 12.50 *On The Ball; 1.20 The ITV* Seven from Kempton and Newcastle (introduced by John Oaksey and Derek Thompson): 3.10 Motorcycling — The World Of Sport Superbike Challenge: 3.35 Cycling — The Amstel Gold from Holland: 3.45 Half-time Soccer Round-up: 4.00 Wrestling: 4.45 Results.
5.00 News.
5.05 "Return of the Man from Uncle." starring Robert Vaughn, David McCullum and Patrick Macnee.
6.45 Child's Play.
7.15 Russ Abbot's Madhouse Annual.
8.15 T. J. Hooker.
9.15 News and Sport.
9.30 "Face Lift," *starring* Martin Shaw and Clarke Peters.
11.00 London News Headlines followed by "Everything You Always Wanted to Know About Sex . . ." starring Woody Allen.
12.35 am Buried Meanings with Gill Nevill, Mary Craig and Keith Ward.

CHANNEL 4

1.05 pm Mothers by Daughters.
†1.45 "The Song of Bernadette," starring Jennifer Jones with Charles Bickford and Gladys Cooper.
4.35 Mama Malone.
5.05 Brookside.
6.00 Ear Say.
7.00 News Summary followed by Seven Days.
7.30 B-25s—"Mitchells do fly in I.M.C."
8.45 "Over Germany."
9.45 The Avengers.
10.45 Chromakey Follies.
†11.45 "Love Letters," starring Jennifer Jones and Joseph Cotten.

S4C WALES

†2.00 Feature Film: "Napoleon" part 1 (Part 2 will be shown on Sunday.) 5.05 Yr Awr Fawr. 6.05 The War of the Springing Tiger. 7.00 Where in the World. 7.30 Newyddion. 7.45 Mentro: Mentrol 8.15 Sidni. 8.45 Arolwg. 9.15 Y Maes Chwarae. 10.05 It Takes a Worried Man. 10.35 Feature Film: "Repulsion."

REGIONS

IBA Regions as London except at the following times:—

ANGLIA
10.30 am Film: "Flight of the Doves." 12.35 am Recipe for Happiness.

BORDER
10.35 am Cartoon Time. 10.45 "The Green Slime."

CENTRAL
9.25 am Eastern Tales. 9.35 The Road to Los Angeles. 10.25 Feature Film: "Saturday Night Fever" starring John Travolta.

CHANNEL
9.25 am Thunderbirds. 10.20 Puffin's Pla(i)ce. 10.30 "First Men in the Moon." 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 "Return of the Man From Uncle."

GRAMPIAN
9.30 am Noddy. 9.45 The Smurfs. 10.10 Unicorn Tales. 10.30 Feature Film—"Lassie: The New Beginning." 12.35 am Reflections.

GRANADA
10.20 am Cartoon. 10.30 Saturday Matinee: Jack Wild and Billie Hayes in "Pufnstuf." 12.35 am In Concert Ten Years After at the Marquee.

HTV
†10.25 am "On the Beat," starring Norman Wisdom, Jennifer Jayne, Raymond Huntley and David Lodge. 12.30 am The Final Word.

SCOTTISH
9.25 am Cartoon Time. 9.35 Happy Days. 10.00 Diff'rent Strokes. 10.25 The Flying Kiwi. 10.50 The Wind in the Willows. 12.35 am Late Call.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 10.30 Saturday Morning Film: "First Men in the Moon." 12.12 pm TWS Regional News. 5.05 Newsport. 12.35 am Postcript. 12.40 South West Weather.

TVS
9.25 am Snooper and Blabber. 9.35 The Smurfs. 10.00 Mork and Mindy. 10.30 "Pufnstuff," starring Jack Wild and Billie Hayes. 12.35 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 The Little House on the Prarie. 10.25 TT Times. 10.30 Star Bird and Sweet William. 12.35 pm Gloria Gaynor. 1.25 Post's Corner.

YORKSHIRE
9.25 am Region Weather Forecast followed by Cartoon Time. 9.35 Joe 90. 10.00 University Challenge. 10.30 The Smurfs. 10.45 "The Green Slime" starring Robert Horton.

RADIO 1
(S) Stereo broadcast.
8 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 12.00 Marathon Music Quiz direct from the Solihull Conference and Banqueting Centre. Commentary on this 12-hour charity quiz with celebrities from the world of pop music, including a live concert from Sade at 7.00 pm. 1.00 Annie in conversation (S). 2.10 Paul Gambaccini (S). 4.00 Marathon Music Quiz (S). 4.30 Saturday Live (S). 6.00 Marathon Music Quiz (S). 6.30 In Concert (S). 7.00 Marathon Music Quiz (S). 7.30 Janice Long direct from Solihull Conference and Banqueting Centre, incl. 7.30-8.00 and 9.00-9.10 pm Marathon Music Quiz. 10.00-12.00 Marathon Music Quiz. Commentary on the closing stages from Steve Wright and Gary Davies.

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport on 2: Rugby Union: Commentary on Cardiff v The Barbarians Football: Second half commentary at 3.55; Racing from Kempton Park at 2.00, 2.30 and 3.00; Snooker: Reports from Sheffield on the World Professional Snooker Championships; Motor Cycling: Commentary from Donington on The Superbike Challenge. 5.00 Sports Report. 5.50 Racing results; 5.55 Pools news and results. 6.00 Folk on 2 with Cyril Tawney. 7.00 Beat the Record. 7.30 When You Wish Upon a Star (S). 9.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Saturday Rendezvous with Dave Gelly (S). 11.00 *Ken Bruce with his selection* of music (S). 1.00 am Peter presents Nightride (S). 3.00-4.00 Wally Whyton with Country Concert (S).

BBC RADIO 3
7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.10 BBC Symphony Orchestra (S) part 1. 11.55 Interval Reading. 12.00 part 2. 1.00 pm News. 1.05 Tito Gobbi (S) *Julian Budden recalls the singer's long career and assesses his achievements.* 2.00 Dreamers of Dreams (S). 4.00 Magda Tagliaferro (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for Organ (S). 7.20 BBC Welsh Symphony Orchestra part 1: Debussy, Ravel (S). 8.00 Interval Reading. *8.05 part 2: Chausson. 8.45 Lindsay String Quartet part 1: Beethoven, Peter Maxwell Davies (S). 9.35 Margaret Cavendish by Kathleen Jones. 9.55 Lindsay String Quartet part 2: Beethoven (S). 10.45 Lassus (S). 11.15-11.18 News. 11.45-3.30 am Russian Orthodox Easter Vigil direct from the Russian Orthodox Church, Ennismore Gardens, London.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. *8.48 Breakaway with Bernard Falk.* 8.57 Weather; Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. John Harrison looks at Britain's reputation in the EEC. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm I'm Sorry I Haven't Clue (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? from Teignmouth, Devon. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Groundswell. 4.00 News; Radio News Special Report. 4.30 Does He Take Sugar? 5.00 Post to Post. 5.25 Merely Marville (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Dog Days. 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Deep River. The story of the American contralto Marian Anderson, who became *the first black singer to appear at the* Metropolitan Opera House, New York, in 1955. 11.00 Evening Service (S). 11.15 Coast to Coast. 11.30 Earwig (S). 12.00 News.

CHESS SOLUTIONS

Solution to Position No. 512

1 P-QR4! K-K2 (if P-K4; 2 PxP, PxP; 3 NxP ch wins); 2 RxN, RxN ch; 3 KxR, PxR; 4 P-QN4, K-Q3; 5 P-QR5, PxP; 6 PxP wins. White queens his QRP or creates a passed pawn on the other side by P-KN5. An immediate 1 RxN? RxN ch; 2 KxR, PxR and if 3 P-QR4, P-QB4 or 3 P-QN4, P-QN4 stops any white passed pawn.

Solution to Problem No. 512

1 R-Q6 (threat 2 R-QN3), R-B3 ch; 2 RxR, or if KxP; 2 R-QB6, or if N-B6; 2 R-Q4, or if BxP; 2 R-QB3, or if P-B6; 2 Q-R4.

The first Chinamen

BY JUNE FIELD

MARCO POLO is reputed to have first used the term porcelain. Record his journeys while in Genoese captivity, he referred to Chinese ceramics with a brilliant surface, comparing them to the marine snail *porcella*.

Of all the popular collecting subjects, porcelain has probably had the most documented research, with fresh attributions and specialist categories constantly coming up.

It is the dedicated, serious collectors who really understand their treasures who get the best out of their acquisitions and are able to pass on their findings to others.

Gerald Coke, one-time Rio Tinto chairman (and deputy chairman when they became RTZ), specialises in acquiring the work of 18th century porcelain decorator in 1718 of Huguenot parentage.

Mr Coke had started with Worcester wares generally, gradually beginning to see that the patterns he liked best and thought the prettiest, were those done by Giles, Chinaman and Enameller. (The term was first applied in the 17th century to the dealers who bought in bulk the porcelain wares imported from China by the East India Company, who then sold them at auction in large lots. It was the Chinamen who bid, dividing up the items into sets or individual pieces for sale to the general public.)

Giles did not make any porcelain himself, but bought mainly "parcels" of plain, white, and blue from the Worcester Porcelain Company, for decoration in his studio. (The blue and white was part decorated, with panels left plain for painting and gilding.)

If Giles could not buy a complete set, he would often make up services with Chinese ware, some of which was flawed. Probably because of these unorthodox methods, he went into bankruptcy in 1776, dying four years later.

Mr Coke has documented his finds in an excellent, scholarly monograph *In Search of James Giles* (£63 including postage from Michael Berthould, Micawber Publications, The Old Ship, High Street, Wingham, Kent.)

In it he pursues the shadowy and elusive figures whose grandfather was a silk-workers from Nimes who came to London with his two sons at the end of the 17th century. James Giles' father was also a "China Painter," so it was natural that his son followed in his footsteps to produce objects which are acclaimed as among the finest patterns painted on English domestic porcelain.

These Mr Coke continually makes point that he does not think of himself as an expert, but a collector, and pays tribute to the principal Worcester dealer, Anne George of Albert Amor, who has been his "guide and inspiration." Other reference sources credited include Geoffrey Godden, who wrote *Caughley and Worcester Porcelains, 1751-1793*.

Geoffrey Godden, collector, dealer, and author of some 21 standard works on ceramics, began assembling various types of English porcelain as a schoolboy, helping out his antique dealer father Leslie Godden at his Worthing, Sussex, gallery. (Geoffrey Godden now runs the business as a modern day chinaman, who "Buys and sells all kinds of antique and curious porcelains, pottery and stoneware.")

The huge and varied stock of porcelains that the firm handled meant that Geoffrey was able to build up an inexpensive reference collection of damaged pieces including triangle-marked Chelsea and early Worcester which proved a valuable exercise in distinguishing the various bodies, glazes and styles.

He says that it was a piece of Minton that prompted his first book. Back in 1950, a large Minton bone-china vase was in the shop. "I said to an American customer: 'Isn't that beautiful?' to which he replied: 'Yes, but it is Victorian' and passed on to earlier, but to me inferior, pieces."

This chance derogatory remark rankled, so Geoffrey bought the vase for himself at the then considerable cost of £10, so, sowing the seeds for *Victorian Porcelain*, published in 1961. (Now out of print, it is a collector's item in itself.)

Minton menu holder c1875, from "Staffordshire Porcelain" (Granada) edited by Geoffrey Godden.

The handsome rose-decorated vase can be seen again in the superbly illustrated *Staffordshire Porcelain*, edited by Godden, recently published by Granada at £75.

This tremendous *tour-de-force* of research is the first volume wholly devoted to Staffordshire porcelain, and will undoubtedly remain the definitive account. Nearly 600 pages and over 750 photographs is a task not to be undertaken lightly again.

And where else can one find as a complete authoritative package (there are 13 contributors, all experts in their field), concise dissertations on leading factories such as Minton, Miles Mason, Ridgeway, Spode, Wedgwood, even Doulton *art deco*?

For a leaflet on the book plus a programme on related talks and seminars, contact the Godden Gallery, 19 Crescent Road, Worthing, Sussex.

What Bordeaux thinks today . . .

BY EDMUND PENNING-ROWSELL

AT THIS time every year two important reports emerge from Bordeaux. One is the annual statistical review of the official Conseil Interprofessionel du Vin de Bordeaux (CIVB), the trade body that unites growers and merchants; the other a personal assessment of the market by Peter Sichel, merchant as well as proprietor of Ch. d'Angludet and the largest shareholder of Ch. Palmer.

The latter report was started more than 30 years ago by his father, the outspoken, sometimes controversial but always frank Allan Sichel.

The French "campaign" wine year begins in September and ends in August — though in Champagne it is a month earlier at either end — so the CIVB's report is essentially a 1982-83 survey, although it gives the detailed results of last year's vintage, as well as the export figures for the calendar year.

It is already known that the 1983 red wine crop was a very large one: 3.19m hl of *appellation contrôlée* wines, compared with 1982's record 3.51m hl. The crop last year was only the third topping the 3m hl mark in the past 50 years.

What is less widely appreciated is that after the vintage time stocks in growers' and merchants' cellars were at record levels: 7.72m hl, 650,000 hl more than 12 months previously, and vastly more than the 4.59m hl five years previously, in 1978-79.

The increases in these five years have been largely at the lower end of the market, with basic Bordeaux Rouge stocks of 1.92m hl, more than double what they were at the beginning of this period, while the higher Médoc and Haut-Médoc appellations were more than 50 per cent up.

These figures do not indicate a slump in claret sales, but chiefly reflect the exceptionally large last two crops. In fact, sales from the properties rose overall in the year by 8 per cent, and in the basic ACs by 15 per cent—45 per cent higher than five years ago, as Peter Sichel states; at the same time reminding one that the high stocks are partly the result of the continuing switch from unprofitable generic white wines to the marginally rewarding reds.

Such wines, together with the *petits châteaux* are, he claims, partly owing to the weak franc, an "astonishing" value. Yet they have not been taken up to any extent either by the U.S. or UK markets.

"Whatever the reasons, there is a mass of good wine available at reasonable prices. With 46 months' stock available at the beginning of the campaign there can be no risk of pressure on prices." The same applies to the higher appellations.

Nevertheless, in the calendar year of 1983, Bordeaux beat all records for its exports, though it must be pointed out that these and the sales figures given above refer to movements of stock and not transactions.

Last year Bordeaux accounted for 17 per cent of all French red win exports in volume and 33 per cent in value, along with 9 per cent in volume for the whites and 8 per cent in value.

The UK, fourth among Bordeaux's customers, and excelled only by Belgium, Holland and the U.S., bought 183,000 hl for a total cost of FFr 281m.

Even if we do not buy them, most of us who drink claret probably think of them in terms of the well-known names or established *crus bourgeois*, but a new table from the CIVB report reveals what a tiny proportion of Bordeaux's sales the *"grand crus"* account for, and they have been going down.

Defined as the superior wines from the top Haut-Medoc communes and from Pomerol and St Emilion, as exports they have fallen from 130,000 hl (11 per cent) in 1978-79 to 78,600 hl (7 per cent) in 1982-83; and as part of Bordeaux's total sales they have dropped in the last five years from 5 per cent to 2 per cent.

They contribute more to Bordeaux's prestige than to its profits. We in Britain again are fourth on the list of these, with imports last year of less than 9,000 hl (10 per cent); though no doubt we hsall show better when the 1982s are shipped next year.

Indeed as wine drinkers we still do not come out very well. For although wine drinking is said to be increasing here, according ot the CIVB table, we drank rather less per head in 1982 than in 1981: 7.23 litres as against 7.56 litres.

Moreover in the list of per capita consumption in 22 countries, only in four—Finland, Ireland, Norway and Japan—is the consumption lower. The French head the list with 86 litres, followed by Italy with 82.80 litres.

Peter Sichel's more subjective review considers the quality and drinkability of vintage claret back to the 1970s, which he considers still to be "dumb" and "should not be drunk yet." Of more recent years he describes the '75s, '78s and '81s as classic Bordeaux vintages not yet ready to be drunk, whereas the '71s, '73s, '76s, '79s and '80s are ready for opening now or within the next few years.

He puts in a good word for both the '74s and the '77s, which I personally find lacking in charm as well as fruit. He has never been an uncritical admirer of the '82s that he now categories as "not very typical of Bordeaux, which for some gives them an added appeal, and for others leaves a feeling that they might turn out to lack elegance."

But he strongly supports the '82 *petits châteaux*, with some of the lightest already drinkable this coming autumn, and as "outstanding value for those who are truly interested in drinking pleasure as opposed to pecuniary gain.

For ridiculously little money it is now possible to lay down a few cases of wine with real character to be enjoyed over the next five to 15 years."

Within a few weeks now, we should know the opening prices of the 1983 clarets likely to be the subject of "opening offers" by British wine merchants.

While Sichel's review states that the British trade has apparently sold all its '82s, the American market has not, and this may influence buyers' response in a vital market to the less-immediately attractive, less written-up '83s.

For as Peter Sichel writes: "It is already difficult to imagine who is going to buy 1982 first-growths in restaurants at FFr 1,000 per bottle, which must be their opening minimum price for wines still far too young to be showing their full potential."

So he maintains that the leading 1983 clarets should show a reduction of around 10 per cent on the opening prices of the 1982s.

To maintain their hold on the market this would seem realistic rather than speculative, but then Bordeaux is the most volatile wine market in the world. Yet it should not count its sales before they are made.

Ben Wright on the triumph of 'gentle Ben'

Old and new Masters

NOT EVEN Jack Nicklaus's victory in the 1980 U.S. Open Championship, his first in a major event since 1975, was greeted with such widespread approval and delight by his rivals, not to speak of the public, as was Ben Crenshaw's triumph in last Sunday's Masters' Tournament.

Nor did I ever see a golfer so emotionally drained by his joyful satisfaction, albeit tinged with a fair measure of relief that he had finally broken his duck in the major championships Crenshaw craves so earnestly.

A man with such unparalleled, unprecedented regard for the history and traditions of the game he loves like no other professional I have even met, knows full well that only major titles count when his impact on the game is assessed by his peers.

When I met "gentle" Ben on Monday morning in the players' parking lot at Augusta National Golf Club, he shed a few more tears when I asked him jokingly if he had stayed there all night.

It was as if he was so keen to savour his magic moment he could hardly bear to drag himself away from the stage on which the drama had been enacted. In fact Ben told me he had only had one hour's sleep, and that only when he had finally cried his way to sleep shortly before dawn.

Ballesteros, the old Master, puts the victor's Green jacket on Crenshaw, the new Master

What now, for this most lovable young man? I believe that Crenshaw will quickly win a handful of major championships. He is desperately keen—and his desperation was always a stumbling block—to win the Open Championship at St Andrews this July, since it was on the dreaded par four Road Hole (on 17th) of the Old Course that he took six to lose his title chance thre to Nicklaus in 1978. Instead it was Nicklaus who tearfully received the loudest ovation I ever heard at a British golf event.

Crenshaw had been a distant second twice before in the Masters". In 1982 he finished tied with his life-long Texan rival Tom Kite four stroke behind Seve Ballesteros.

In 1976 he was no less than eight strokes behind Ray Floyd. But it was in 1977 that Ben had previously enjoyed his best chance. Tied with Tom Watson withone round to play, Crenshaw slumped to a disastrous 76 to tie for eighth place, as winner Watson scored 67.

In 1975 at Medinah, Chicago, Crenshaw hit his tee shot into the water short of the 17th green to miss a play-off with eventually winner Lou Graham and John Mahaffey in the U.S. Open.

In the 1979 U.S. PGA Championship at Oakland Hills, Detroit, he was ironically putted to death in a play-off at the third extra hole by Australia's David Graham.

Not surprisingly two years Crenshaw's game was in ruins because he had radically altered a swing that had enabled him to win all manner of amateur honours, including the U.S. National Collegiate Title three years in succession.

On turning professional, Crenshaw had won his first tournament in 1973, the San Antonio-Texas Open, and was then second in the 144 holes World Open at Pinehurst, which he lost to Miller Barber only by hooking his drive wildly into the woods at the 142nd hole.

Crenshaw became notorious for his wild hitting and famous for his recoveries and a purely magical putting touch. But it is to his great credit that he tightened up his old swing and won the Masters' because he missed very few fairways or greens.

His putter did the rest. He had learnt his lesson, a very hard way, namely that the method that gets you to the top is good enough—if only you believe that.

What of the European challenge? Nick Faldo was tied with Crenshaw, his final round partner at seven under par on Sunday morning, yet finished eight shots adrift.

Unlike last year's Open at Royal Birkdale, when he fell apart on the finishing stretch, Faldo destroyed his chances early at Augusta, taking 40 shots to reach the turn. The sad fact is that we are expecting too much of him too soon.

The 26-year-old Faldo was "rookie of the year" in 1977. By then, the 32-year-old Crenshaw had wone five American tournaments and nearly $600,000. In three part time seasons on the American circuit since 1981 Faldo's best finish on the money list is 79th.

Only in 1982, the year of his worst slump, has Crenshaw finished worse than 34th, and the latter position was earned in his rookie year of 1973, when he onyl started to compete as a professional in August. I feel sure Faldo's time will come soon, however, particularly at Augusta.

Neither Greg Norman of Australia (288) nor West German Bernhard Langer (289) was able to win a place in the top 24 finishers automatically invited back in the 1985 Masters'.

Norman is enigmatical, in that he looks so good but on occasions scores so poorly. I feel that, having won so many tournaments around the world, he grows increasingly impatient to win in the U.S., and is trying to force things to happen, rather than wait for the opportunities to present themselves, as they surely soon will.

Langer has been a revelation. but was plainly in need of a rest when he arrived at Augusta. The fact that he has putted so well in America must be a tremendous source of satisfaction to him, however, in view of all the sarcastic and scornful comments made so openly and frequently about this department of his game.

What of Ballesteros? His slow startin 1984 has delighted the rumour-mongers, whose latest ploy is to allege that he is desperately homesick and unhappy in America. The fact is that he took a lengthy rest during the winter, and has found it difficult so far to find his brilliant putting stroke.

But his American rivals are not lulled into a sense of false security. They are lost in admiration for his new-found directional control, and are convinced that if anyone is to dominate the game to such an extent as has Nicklaus these past 23 years, it will be Seve.

I find it hard to argue, but my own belief is that there are so many good players around now that the star system is just about doomed. I hope I'm wrong.

Wrapping it all up

GARDENING

ARTHUR HELLYER

THIS SPRING, many fields in Jersey have been covered with great sheets of transparent polythene. It is the latest device for getting the early potato crop just those few days earlier that make such a big difference to the market price.

How successful it is going to be I do not know, but I understand that it was tried on a small scale in 1983 with sufficient success to encourage a considerable number of farmers, especially those on the south and west-facing slopes where the earliest potatoes are always dug, to invest in the system at a cost of about £300 an acre for the material, plus the considerable labour of spreading it over the fields, burying the edges beneath the soil to keep the sheets in position and, in some cases, having to do this work all over again when some of the very strong gales experienced this spring have blown it away.

When I was last in Jersey in March it was very stormy and it was quite a sight to see billowing waves produced under the sheets where the wind had been able to find a way beneath them.

All the sheets are perforated, the most satisfactory perforation being 500 holes per sq metre. At first I was told that the perforation was necessary to let the wind out and so prevent the sheets from being torn away.

Then they said it was to let in rain, but when I pursued the matter further to the State's experimental farm, I found that though both these explanations were correct, there was a third far less obvious reason which threw considerable light on other methods of protected cultivation.

The perforations allow air to penetrate freely to the plants and without this they suffer from a shortage of carbon dioxide. It is easy to forget how much of the bulk of any plant is made up of carbon obtained from the air.

It is true that plants also give off carbon dioxide but not in anything like sufficient quantity to make up what they used. So, confined under an unperforated sheet of polythene, the plants become progressively starved of carbon and are stunted as a result.

It explains why plants growing in a bottle garden remain so small for months or even years because inside the bottle there is an almost static atmosphere which becomes progressively short of carbon dioxide.

A similar state of affairs can occur in a greenhouse or frame or under cloches which get little ventilation and commercial glasshouse growers have found it worthwhile to place propane gas burners in their greenhouses at certain periods to enrich the air with carbon dioxide.

Polythene sheets in fields are laid in position as soon as the crop has been planted and are left undisturbed, gales permitting, until the plants are at least half grown.

In some experiments they have been left until nine days before the first potatoes are dug.

It is a very simple method of protection and one which amateur gardeners could easily copy on even the smallest scale. But what interests me much more is whether it could have other applications.

What about dahlias, for example? A great many people now treat them as bulbs and buy small tubers in shops and garden centres. Unless one has a greenhouse or frame in which they can be started, these little tubers must be planted outdoors where they are to bloom.

If one does it too early there is the risk that late frost may kill the tender young shoots. If one leaves it too late, the dahlias may not start to bloom until the season is nearly over.

Would a covering of perforated polythene spread over the dahlia plant give the required protection and enable one to plant during the latter half of April, well ahead of the normal time considered safe except in the south and west or near the sea?

It seems highly probable that it would, and the experiment is worthwhile.

With gladioli which have to be lifted in autumn and stored all winter because they are readily injured by frost, the same applies.

Polythene protection might permit March planting, which would certainly advance the flowering time. It could be particularly advantageous for the delightful little Nanus varieties which are mainly grown under grass and planted in autumn for cutting in spring, but are gradually growing in favour for spring planting out of doors.

They would welcome an earlier start as, unlike the larger hybrid gladioli, they have a quite short resting season and are normally growing throughout the winter.

Once one begins to think about it, one's imagination can run on in all manner of directions. What about tuberous rooted begonias out of doors? Could this be a way of coping with the dozens of half hearted bulbs, corms and tubers from Southern Africa and subtropical parts of America?

After the elms, the beeches

COUNTRY NOTES

JOHN CHERRINGTON

IT WAS a quiet afternoon with hardly a breath of wind, ideal for the lambing which I was supervising. All of a sudden there was a very loud crash, the sheep were startled, clouds of pigeons and rooks flew into the air from the surrounding woods and hedges.

I thought at first it was a tree felling exercise but my men were all working elsewhere and in any case I had heard no scream of a power saw. Nor did I think it could have been a plane crash.

On investigation I found that one of the tallest beech trees in a lane hedge, with a butt at least four feet through, had quite simply toppled over, very fortunately falling away from the house on the other side of the lane.

There had been no evidence of nay physical agent, no whirlwind or sudden gust, nor any sort of earth tremor.

On examination I found that the roots which reached down the sides of the bank were completely rotten, but until that moment the tree had looked healthy and its buds had started their spring time burgeoning. There was some damage to the bark but well away from ground level, all in all the tree looked to be a thoroughly healthy specimen.

But there was a scar some ten feet off the ground, where a branch had been broken or sawn off which had quite obviously been absorbing the moisture that ran down the trunk and possibly this had contributed to the rottenness of the roots or else perhaps water from the lane surface had flooded the roots on that side.

In the event on cutting up the trunk we found that it was rotting from the centre outwards and the timber was unsaleable except as firewood although in this case I shall use it myself as I have just about finished the remains of the elms which had to be felled a few years ago, when all that I had of any size succumbed to Dutch Elm Disease.

This beech has a twin within a few yards and I am now eyeing it suspiciously. It too has a scar where a branch has been lost and is about the same size, in fact they were both rather notable trees for their height and girth. Normally hedgerow beech tend to spread their branches very wide indeed.

I was always aware that a beech had a limited life span, something like 150 to 200 years depending on the soil, and there are other beech on the farm which must be of about that age.

There have been casualties too but their dying is usually evident. They lose life in some of their upper branches and once that happens I usually have them felled. This problem started in the 1976 drought when on shallow soils the tops of many beech, which are not deep rooted, began to die.

Just before the war the Forestry Commission planted beech not far from here on a big scale. The trees came to nothing and the explanation given was that the seed used was collected by gypsies who gathered them from the roads overhung by the usual sort of straggly beech.

The real answer, I was told, was to use seed from France where the woods and forests have been very well run for generations.

It is possible too that the elm has not quite disappeared from the scene. After several false starts I have about a dozen saplings which will with any luck survive and so lend a bit of variety to the view.

Cricket in the ascendant **Alan Forrest** reports

It's in the yellow book

THIS IS the time of the year when a cricket man knows that God's in his Heaven and all's right with the world. It isn't just that the Great Game gets underway today.

It also marks the arrival of Wisden, the real Yellow Book. My opinion might not have been shared by Aubrey Beardsley and Oscar Wilde, but then they didn't have linseed oil in their blood.

Wisden is my favourite April reading. It compensates for not being out there in the middle now my eyes can't see the fast ones any longer. It is all very well for my colleague, Trevor Bailey, to say he isn't interested in statistics—he is in the book among the elite and I'm not, trapped for ever in the lower reaches of League cricket.

And Wisden doesn't make much of the Boycott controversy. I notice the Great Man is indexed at the end of the book as "G. Boycott (Yorks and N. Transvaal"), a nice touch.

But the Boycott affair was one of the great news stories of cricket, in spite of what some effete cynics south of Watford say. Boycott takes his place with Harold Larwood and Douglas Jardine among the great stirrers of the game's history. To get rid of a whole cricket establishment by sheer bloody-mindedness is no mean achievement. What you replace it with is irrelevant, as Lenin might have said.

So Boycott goes rampant into his testimonial year. He may be seen next week. I'll leave Trevor Bailey to speculate on which county will be the 1984 champions. I certainly can't see it being Yorkshire.

But here we are again with grass at our feet and, I hope, the sun overhead. While Boycott revels in merging as The Gaffer, or as near to it as makes no odds, the deposed Ray Illingworth joins the Courage brewery's Old England XI to play nostalgically for charity on fields less distinguished than Headingly.

I am told that Boycott is being supplied with a personal computer by a west country high-tech company to work out all the implications of his testimonial season, and am convinced that it's all a calculated Somerset plot to take his mind off batting practice.

My hopes for the new season: that Ian Botham can re-establish himself as the great player he is and realise that it's no use playing your strokes if you get yourself out; that we find an England captain who can make us forget Bob Willis; that the West Indies visitors don't make us suffer too much; and that we shall soon see Graham Gooch playing for England again.

I've got to end on the Boycott affair. I have just been re-reading Ray Illingworth's autobiography, *Yorkshire and Back*. He talks about his appointment in 1969 as England captain, which was conditional on Colin Cowdrey being vice-captain. Illy and Cowdrey were not congenial colleagues, to put it mildly.

Illingworth says: "If Cowdrey had declined the job—or if the selectors had consulted me, say the day after giving me the captaincy—I am sure I would have gone for Geoff Boycott as vice-captain." And it is probable, says Illingworth, that the whole course of cricket history would have been changed.

Ah, well! Sic transit Gloria!

Wisden Cricketer's Almanack, 1984, Macdonald Queen Anne Press, £9.95.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday April 21 1984

Break for new scene

THE TOILERS of the City, some of whom actually work quite hard for their very substantial rewards, have never needed an Easter break more than they do now. They have just been through the most momentous three months in their lifetimes; and while many are now enjoying a handsome realisation of 29.9 per cent of their sterling worth, they are also looking forward to a new world in which they will have increasingly to earn their future money as other men do — by providing service in a competitive market. In the long run, the changes which have been convulsing the City may prove just as momentous for the rest of us, too.

This fact has not been much discussed so far, because the subject is a difficult one. We spectators—those of us, that is, who have bothered to take much notice of what is going on—have so far been rubber-necking, as if round some giant construction site. The cranes have been assembling large components, bearing the names of familiar banks and brokers, as well as the more cliquey names of jobbers and discount houses, into new sets, while all of us speculated what would go with what. But what is to be made of these new assemblies? Nobody—not even the architects in Threadneedle Street and Throgmorton Street—yet has any very clear inkling.

International

However, we do have a broad idea. Whether dealings are centralised effectively in one market, as the tidy-minded fervently wish, or more dispersed, whether the investor is to be protected by self-regulation or a statutory watchdog, we know that the end result will be a market which will do much existing business cheaper, will search for new business more aggressively, and will above all be much more international.

This internationalisation will affect everybody, and not just investors — indeed, it has already affected everybody. The story does not really begin with the attack by the Office of Fair Trading on the City's restrictive practices, and the subsequent deal between the Stock Exchange and Mr Cecil Parkinson, to avoid the attack by abandoning the practices. It goes back to the abolition of exchange controls in 1979, or before that to the discovery of North Sea oil, which ensured an era of current account surplus for Britain. A country in current account surplus is exporting capital, whether it knows it or not. To ensure that it could be exported by private citizens, and through an efficient market place, simply followed logically.

This new world offers new opportunities and new disciplines, but it has taken time to learn them. Indeed, our initial experience was so disruptive that North Sea wealth looked more like a curse than a blessing. The exchange rate shot up so far in 1980 that internationally competitive industries were thrown into crisis.

That was initial mismanagement; but the rise in interest rates, which are now far above the rate of inflation just as in the 1970s they were far below it, seems more durable. A more competitive market competes harder for savings; and as long as governments remain reluctant to print enough money to satisfy all borrowers, that means a world more favourable to savers. The result, against previous expectations, has been to stimulate recovery.

Continuous

Even stranger, compared with old prejudices, a world of dear capital, in which British capitalists have to bid against the whole world for their funds, has been a world in which profits have recovered spectacularly. This has involved another painful adjustment; investment and employment have fallen sharply as managements have driven desperately for higher efficiency. But higher productive efficiency, like energy self-sufficiency, is full of potential for the future.

Our continued progress has surprised economists, who make their forecasts by projecting the past, but it should not surprise investors; for our new, international City subjects the real economy to a process of continuous testing. Only those who can achieve international returns on capital can get capital. The exchange rate is simply the connecting mechanism; in a world of mobile capital, it moves to ensure that the average return is competitive, for a falling rate cuts real wages and rewards capital. The level of profits therefore quite directly determines our standard of living.

This brave new world will still take a lot of learning—as Mr Arthur Scargill, in his unaccustomed pension fund role, has just been sharply reminded. And a lot of new people will be encouraged to learn: the new City will be wooing the personal investor as never before, since the City's own savings institutions will no longer be paying the old fat fees.

The real question, though, remains: who will sell the new world to the shellbacked pessimists in Whitehall? Our new Spartan-trained economy should be capable of a new dynamism. Will they let us try?

THE DEMOCRATIC NOMINATION FIGHT

A ringside seat for Reagan

By Reginald Dale, U.S. Editor, in Washington

IF THE Hart for president campaign has its way, a new phenomenon is about to burst on the American political scene. It will be called "Give 'em hell Gary."

Just over half way through the blistering battle for this year's Democratic presidential nomination, the Colorado senator's head is bloody but unbowed. Taking stock of what he sees as the two opening rounds, Mr Hart concedes that he has lost the second after dramatically winning the first.

The fight plan is now for a revived and more aggressive Mr Hart to come swinging out of his corner to win the decisive third, generating enough momentum to carry him through to the nomination in July. While this is not inconceivable, it is fraught with difficulty.

In the last four weeks, in which he has lost 11 out of 16 States to former Vice-President Walter Mondale, Mr Hart's campaign has lost the pristine shine that dazzled the voters at the time of his initial upset victories in New England in early March. His own staff agrees with the virtually unanimous verdict of the nation's pundits that it badly needs refurbishing.

Battling it out on the campaign trail: (left to right) Walter Mondale, the Rev Jesse Jackson and Gary Hart

As the three candidates pause briefly for breath before the next major contest in Texas on May 5, a number of things are clear. The first is that Mr Mondale, after a comeback unprecedented in Democratic politics, must once again be regarded as the front-runner, even if he shuns the title. The second is that the third-running Rev Jesse Jackson has made a much bigger impact on the national scene than most people ever expected and is now a major force to be reckoned with.

Thirdly, after surviving largely on their own adrenalin over the past two punishing months, the candidates have reached a state of stress-induced exhaustion that, at least in the view of some leading medical experts, may cause them health problems later on and even lower their life expectancy. An increasing number of commentators are now asking whether this is really the best way to choose a presidential candidate. And last but not least, the spectator who is most enjoying the Democratic slogging match is President Ronald Reagan.

In terms of sheer numbers, Mr Mondale is now well ahead. Following his convincing primary victories in the big industrial states of Illinois, New York and Pennsylvania, he now has over half the 1,967 delegates needed to win the nomination at July's 3,933-strong national Democratic convention in San Francisco. He has a lead of almost two-to-one in delegates over Mr Hart.

Just to catch up with Mr Mondale by the end of the primary season in early June, Mr Hart needs to win a good two-thirds of the 1,700 or so delegates still to be chosen. Mr Mondale, who has so far won just under half the delegates at stake, needs only slightly to increase his striking rate to reach the "magic number" required for outright victory.

While desperately seeking to avoid anything smacking of over-confidence, Mr Mondale is now prepared to say that he has "just a chance" of reaching the target before the convention. Mr Hart does not accept that—it is obviously what he now has to stop. But he has backed away

The major prizes still up for grabs

from his earlier insistence that he would himself win the nomination in the California primary, the biggest of them all, which ends the primary and caucus season on June 5.

Mr Hart's pollsters now say they believe that both leading contestants will emerge from California with about 1,500 delegates, following a new Hart surge in the third round. Mr Hart's strength in the closing stages, they argue, will prove convincingly that he is the man to beat Mr Reagan in November. In the hectic six-week period of behind the scenes activity between California and the convention, enough of the perhaps 1,200 uncommitted and other delegates will then rally to Mr Hart to give him the nomination at the first ballot.

Although many would have strong ethical and/or political objections, delegates are free to switch their allegiance under Democratic party rules. The Hart team is accordingly already eyeing Jackson delegates, and even some of Mr Mondale's, as well as the officially uncommitted, in the hope of luring them to its banner.

But where is the new Hart surge to come from? Mr Hart's campaign strategists point out that many of the coming votes will be in the West and mid-West, which the cowboy-booted Mr Hart, raised in Kansas and based in Colorado, regards as "our territory."

In the West, says Mr Hart, people tend to welcome change rather than to be afraid of it, as in the East. It is, he believes, fertile ground for his "new ideas." And it is certainly true that many of the components of Mr Mondale's power base—unemployed and unionised workers, "traditional" Democrats, poor, elderly and Jewish voters—will be in shorter supply in many of the states that lie ahead.

Important States like Ohio, Indiana, North Carolina, Maryland and New Jersey, however, have yet to have their say, and they are neither western nor necessarily natural Hart territory. The major prizes of Texas and California are still very much up for grabs. Mr Hart has reached the point where it is not good enough simply to go on alternately trading victories and defeats with Mr Mondale.

Mr Hart's essential message is that a Mondale-Reagan contest would simply be a re-run of the 1980 Carter-Reagan election, in which the Democrats were resoundingly defeated. He loses no opportunity of bracketing Mr Mondale with Mr Carter, just as he still insists that Mr Mondale is the candidate of old-fashioned "special interests," and that only he can broaden the base of the party to win the general election.

"The voters," Mr Hart added this week, "are turned off by Mondale's cheap attacks on me." There may well be some truth in this. Indeed, one of the conclusions that might be drawn from the see-saw nature of the race so far is that many voters are actually "turned off" by both leading candidates—as a number of opinion polls have suggested.

But Mr Mondale is not likely to change the new, pugnacious style that he has so successfully adopted since his humiliating defeats in New England. The once-lofty and cautious Mr Mondale has become a tough street-fighter—and a more effective, and more human, candidate in the process.

If Mr Jackson were not also running, Mr Mondale would indubitably be much further along the road to the nomination. Of the three candidates, it is Mr Jackson who has matured the most in the past two months, and is now often the most statesmanlike. A leading pollster, Mr Lou Harris, last week said that Mr Jackson was viewed as "a real leader" by more people than either Mr Hart or Mr Mondale, and might even be President if he were white.

In the voting so far, Mr Jackson's vaunted "rainbow coalition" of minority and liberal supporters has turned out to be mainly a monochrome black. But he has captured staggering percentages of the black vote, which would otherwise have gone heavily to Mr Mondale, and brought out new voters to register in unprecedented numbers. If neither of the two leaders win by the end of the primary season, Mr Jackson's delegates, who could total well over 200, could find themselves in a pivotal position.

Mr Jackson says that he does not want to play "broker" between the candidates at the convention, but he will insist that his newly won power be reflected in the party's election platform and in rule changes. If he does not get his way, he says, he will not "pick up his marbles and go home."

But both Mr Hart and Mr Mondale, and indeed the whole Democratic Party, are only too aware that without Mr Jackson's active support in November, they risk losing the overwhelming backing of black voters that could provide the margin of victory over Mr Reagan.

Mr Jackson has carefully not

Jackson has blotted his copybook with many voters

spelled out his demands in clear detail. But he has made it clear that he wants a change in local, state and congressional voting rules in 10 southern states which he believes heavily discriminate against blacks. He wants a "peace plank" in the platform, perhaps calling for a 20 per cent cut in defence spending, and clear-cut policies on South Africa and the Caribbean that reflect the strongly felt views of the black community.

The dilemma for the Democrats and their nominee is real. If Mr Jackson's demands are ignored, his followers may stay at home in November. But a candidate who accepted them would risk losing the support of many more conservative voters, and could well be taken apart by the skilled Mr Reagan in the process.

The Republicans, in fact, are already relishing what they see as the spoiling role that could be played by Mr Jackson. He has already blotted his copybook with a considerable number of voters by using a derogatory word for Jews, "Hymies," and referring to New York as "Hymietown."

He has since compounded the error by declining to dissociate himself from one of his extremist supporters, the Rev Louis Farrakhan, leader of the anti-white Nation of Islam movement, who issued veiled physical threats against the black reporter who first published the "Hymie" remark. Mr Farrakhan has since been widely quoted referring to Hitler as a "great man" who did Germany a lot of good, though a wicked one.

Vice-President George Bush has already castigated all three Democratic candidates for allegedly failing to take a firm enough line against anti-semitism. But it was clear that he was more specifically targeting what the Republicans see as an exploitable "Jackson factor." The Democrats, one well-known commentator said this week, "dread the thought that Jackson's joyride could end in a ghastly wreck for them in November," perhaps provoking a massive white backlash.

Mr Reagan himself is for the time being staying largely above the fray, preferring to look presidential while the Democrats tear into each other, with little time for their wounds to heal by November. As both head of state and head of government, Mr Reagan is, in British terms, both the Queen and Mrs Thatcher rolled into one. In the months ahead, he will try to see to it that the White House looks more like Buckingham Palace than the more politically exposed Number 10 Downing Street.

Abroad, Americans will soon see him touring China, then at the London economic summit, on the Normandy beaches with the Queen and President François Mitterrand for the 40th anniversary of D-Day, and visiting his ancestral Irish home at Ballyporeen in County Tipperary—all with great pomp and circumstance. At home, he is making an issue of his presidential authority over an unruly Congress and its unco-operative Democrats.

Simultaneously, he is raising issues calculated to appeal to the right wing, which he has sometimes disappointed in the past, and he has now started travelling to rallies and meetings around the country — ostensibly to bring the presidency to the people, but actually to touch base with voters he will need in November.

Disdaining the fierce rows over foreign policy that have recently erupted in Washington, his message has once again been that economic recovery is under way and the mistakes of the past must be avoided. Meanwhile, while both Mr Hart and Mr Mondale stick to their claims that they can beat him in November, one of them still has to spill a lot of Democratic blood to beat the other first.

Letters to the Editor

Investment in high tech

From Mr Maurice Starkey

Sir,—In 1975 the International Monetary Fund, reflecting a widely-held opinion, suggested that Britain was building the foundations of its own decline. Unlike West Germany, Britain was not developing new technology and investing in capital equipment. Increasingly, it was competing for markets with low-wage countries.

Wages could fall dramatically without any positive change in Britain's economic fortunes. The 1984 Budget has enhanced this possibility by removing capital allowances, and replacing them with lower corporation tax (tax on profits).

This sleight-of-hand will cause an extra £1.5bn (at present prices) to be added on to the Government's total tax take. A major flaw is that it is discriminatory. It will give higher returns to labour-intensive and low-productivity sectors which do not invest. But the capital-intensive, high-productivity activities which need investment and resources, and do well in export markets, will be "worse off." Labour and capital will thus continue to be drawn into the wrong areas.

This change in taxation will stop the banks leasing equipment. They entered the leasing market and gave preferential terms to lessees, because it gave them substantial tax advantages. It helped businessmen, reducing their vulnerability in new ventures by reducing initial capital outlays.

Investment in the Scottish computer industry was a result of favourable capital allowances. This important industry would be dissipated if capital allowances were discontinued. Other Governments use the vacuum left by Britain to entice the high-growth computer companies by advertising their own capital allowances—witness the substantial sums West Germany has spent on a high-technology programme.

Maurice Starkey.
314 Granville Road,
Sheffield.

Return on National Savings

From Mr G. Bowthorpe

Sir, — I would take issue with Mr Tunstall. In his letter (April 14) he appears to be applying a short-term view to a long-term problem.

The facts are that the tax-free increment of 7½ per cent is obtained only on maturity after the certificates have been held for five years. In the early years the return is below average and in the later years above average (until a certificate has been held for a full year, no interest accrues).

Accordingly, one would feel "locked in" in order to benefit from the higher interest rate in the later years. So one needs to estimate: what interest rates are likely to do over the next few years; whether the standard (or higher) rate of income tax will change; and what might happen on a change of government.

On that basis I prefer to stay "liquid." Any building society will offer me at present 7½ per cent (tax paid) for seven-day money. "Extra Interest" or "Term" shares offer more.

George Bowthorpe.
92, The Welkin, Hickmans Lane,
Lindfield, W. Sussex.

Government finance for export industries

From the director-general, Process Plant Association

Sir,—The Byatt Report on government finance for export-oriented industries is currently circulating and has been discussed at the council of the Process Plant Association and many other bodies, including the CBI.

Our council, with advice from our export finance committee, feels strongly that if British engineering companies are to compete successfully for overseas projects against vigorous international competitors they need financial assistance from the Government not less than other governments give their industries.

We have argued our case with the Matthews Committee on ECGD and many of our recommendations have been taken up in their report, which you covered extensively April 12.

We shall be discussing these matters at a meeting of the Process Plant EDC on April 25. We regard the NEDC and the "Little Neddies" as of considerable value to British industry, particularly process plant manufacturers. It presents an opportunity to air views in that tripartite body of Government, unions and industry.

We intend to do everything possible to put British manufacturers on an equal footing with those of other strong nations in world markets.

Harry J. Hornsby.
25 Whitehall, SW1.

Argentine defence expenditure

From Mr John de Courcy Ling, MEP

Sir,—Your economics correspondent in Washington reported (April 13) that European Finance Ministers are insisting that there should be no further debt rescue for the Argentine Republic until she has agreed a programme of economic reforms with the International Monetary Fund.

For several decades Argentine internal policies have been as volatile as her external policies. But just as successive generations of Argentine politicians have kept a potentially-rich country on her knees so they have been a major nuisance to her neighbours, particularly Chile to the west and the Falklands to the east.

In a debate on human rights in South America in the Strasbourg Parliament on April 13, I said that the Chilean army had been obliged to keep forces in the area of Palena, where there was until recently an Argentine threat to the Chilean frontier itself. Chile has also been dogged by the Argentine claim to the islands of Lennox, Picton and Nueva in the Beagle Channel. Argentina has compounded disdain for Chile with contempt for international processes of arbitration. Both Chile and at least one member state of the European Community are therefore obliged to divert resources to defence which ought to be devoted to peaceful purposes.

I trust that the external pressure on the Argentine Republic to mend her methods of housekeeping will extend to her defence expenditure. It would be healthier all round, not least for overseas investors, if her neighbours felt more secure.

John de Courcy Ling, MEP,
31, Chapel Street,
Belgrave Square SW1

Building societies and life assurance

From Mr Robert Wokler

Sir,—It is regrettable to learn from Eric Short (Your Savings and Investments, April 14) that building societies would like to repair the damage done to endowment mortgages by the Chancellor's withdrawal of life assurance premium relief.

Most building societies ought instead to repair the damage inflicted on repayment mortgages by their general requirement of level repayments introduced with MIRAS last year. MIRAS should have had the effect of extending the tax concession of the now defunct option scheme to non-taxpayers and basic-rate taxpayers alike, thus benefiting mainly first-time borrowers and those on lower incomes.

On the contrary, such borrowers were widely encouraged to opt for or change to more expensive and inflexible endowment schemes, or else obliged, on their own initiative, to extend the term of their mortgage so as to keep their net repayments at the pre-MIRAS level.

Most new borrowers have in this period been unable to take advantage of the old option and repayment schedules, so that those worst off have had to pay more, when they could least afford to do so, for the privilege of owning their home.

Already thus handicapped since 1983, borrowers with repayment mortgages have at the same time reduced their debt to the building societies and thereby contributed more funds for loan to others—unlike their largely better-off counterparts on endowment mortgages, who have deferred their repayment of capital.

Should not the building societies now be more attentive to the needs of those who merely require housing? The pursuit of insurance commission payments does little to enhance their reputation.

Robert Wokler.
Faculty of Economic
and Social Studies,
University of Manchester.

Fair taxation of married women

From Mr Ewart Dale

Sir,—I support Mrs E. Tayler's plea (April 10) for a tax allowance for every man and woman, transferable from an individual to his or her spouse if that individual has no income. My wife and I admit to benefiting most unfairly from an illogical system that grants us greater tax exemption because we have *two* incomes than if we had only mine.

The current rules are often justified by claims that most working wives do so out of necessity. Of the first 32 working wives of which I can think, I cannot imagine more than a single one who does so out of necessity. The motive appears to be to achieve a higher standard of living than that with which families with a single worker are satisfied or are forced to accept.

The vast majority of working wives, in my experience, are from professional or semi-professional groups. Many women with below-average family incomes are prevented from working by lack of marketable skills, the longer and less convenient hours demanded of most unskilled and semi-skilled work, and lack of transport. It is unreasonable that they be penalised by taxation.

Ewart Dale.
16 Bramblegate,
Crowthorne, Berks.

Recycling instead of burning stubble

From Mr Kenneth Bryan

Sir,—Biotech stubble recycling may be the answer to stubble burning (Recycling stubble, April 12). If it involves the large-scale production of fungus that likes cereal straw, we can only hope that it is not the one whose spores incapacitate millions of hay-fever sufferers at harvest time.

Impairment of the capabilities of the country's workforce over a long period could have a serious effect on the economy and would be bad news for the many people who suffer from allergies.

Thought is needed before using biological solutions on a scale that can affect millions of unsuspecting people who are already under attack from many other man-introduced agents.

Kenneth Bryan.
Hemp Bottom, Wiggington,
Tring, Herts.

River Severn tidal energy potential

From Mr Gerard Smyth

Sir,—In a recent article by your Science Editor (Time ticks away for new nuclear power stations) it is suggested that the CEGB may have to build more coal-fired power stations because it is taking too long to obtain public approval to build more nuclear power stations.

At a time when the desirability of this course may seem questionable to a number of people, surely it is pertinent to remind your readers that there is an alternative to nuclear power which is clean and safe and may be cheaper in the long run — tidal power.

A barrage and hydro power station in the River Severn could supply the energy output of several nuclear stations.

Russia is reported to be building a power station which will harness energy from a volcano within three years. Surely it is not inconceivable that we could harness some of the unexploited power on our doorstep within 10 to 12 years.

Gerard Smyth.
President, Bristol Chamber
of Commerce and Industry,
16, Clifton Park, Bristol.

A PACKAGE TOUR REVOLUTION

Europe takes to the buses

By Arthur Sandles

IF, DEAR READER, you find yourself this weekend fuming in your car behind a trail of giant tourist gin palaces in the form of today's long-haul coaches, take heart. You are not alone. Europe has seen an explosion of long-distance travel in the past decade. Much of it is funnelled through Dover which, on a peak day, can see as many as 800 of these 50-seat giants, many with en-routes movies, lavatories and constant hot drinks. The port is spending more than £8m on a special terminal for them. This is hardly surprising. Latest estimates suggest that while 4.5m people crossed the Channel last year in cars, 5.5m preferred the chauffer-driven comforts of a coach.

The revival of coach travel was prompted by the 1974 fuel crisis. Suddenly the economics of jet transportation, and self-drive motoring, were overturned. The £10 weekend to the Costa Brava by air from London became a thing of history. At the same time manufacturers were able to capitalise on work done for long-haul freight vehicles to produce passenger buses which were fast, relatively economical and provided a smooth ride. Road connections improved rapidly as France marched its autoroutes outwards from Paris towards the channel and the Belgian border in the north and on to the Riviera and the eastern Pyrenees in the south.

Again quoting Europe's most heavily used long-haul coach crossing point, Dover, coach traffic over the past decade has risen by 675 per cent. Car traffic in the same period went up by 74 per cent.

The growth in business has come in three areas of long-haul transportation: inter-city express services (London-Milan, Paris-Madrid etc), shuttle services (a tour company charters a coach as against an aircraft) and the traditional coach tour.

Europe's express coach system has developed over the past six years as a result of a general liberalisation of the rules and after something of a shake-out among those who saw it as a potential gold-mine. The system generally relies on a reciprocal arrangement between countries. A coach operator in Belgium, for example, will only get a full licence for his route to Rome if an Italian operator gets a similar licence for the run. Both companies can pick up and set down on each other's territory and normally they will establish a joint timetable.

This has produced a complex network of interlinking deals and, of course, ironed out some of the individual problems that countries may face at short notice. French coach operators were protected from the full impact of devaluation and currency controls by the fact that they shared by right in traffic from the UK, Germany and the Netherlands.

Companies such as National Express, Wallace Arnold and Frank Harris in Britain have a spider's web of commercial deals throughout Europe.

Each of these companies have separate deals to different European areas—Harris, for example, concentrates on the northern sweep through Belgium and down through Germany to Munich—but they pool both their own and their European partners' routes to produce a unified Superbus consortium which has one timetable and a major terminus at Victoria in central London.

Harris's general manager, Mr John Wilson, is happy with the present system and seems relieved that some of the earlier entrepreneurial competition has waned. "We like some sort of regulation, although the British Government does not seem as keen." The regulation takes the form of the need for each country to have only the same number of licence holders as the other. It is exactly the same system as is employed in the air. The UK Government philosophically prefers a complete freedom of the road. The French have a similarly philosophical opposition to such an idea. The Greeks and the Spaniards would see such a system favouring the tourist generating countries, notably Britain and Germany, since nationals of those states would probably prefer to ride the flag.

A basic express coach these days is not a cheap machine. It is likely to cost the operator at least £75,000 for a vehicle that will carry 48 people in some style. The Shuttle, and even more the tour buses, of the 1½ deck nature that are such eye-catchers in the narrow streets of Rome or the mountain passes of Austria, come in at well over £100,000 and probably more like £125,000. Fitting video alone costs upwards of £1,500.

Even these elevated prices will not, however, put the coaches in the same league as aircraft. The main competition in the air, a Boeing 737, is currently costing airlines between £10m and £12m, a hundred times the bus price.

A new bus is likely to be kept by its original owner for between five and ten years, depending on particular corporate needs.

Meanwhile, the stable and even falling, price of fuel is tipping the economic balance slowly back towards the airlines. At the moment a tour company might be offered jet seats to Barcelona, Geneva or perhaps even Munich for around £50. The coach price is likely to be £30. With other factors, such as airport charges, transfers and the like, the differential on an actual package price now comes down to around £30 on many trips.

As with airlines, the buzz-phrase that lurks behind these figures is load factors. In the case of tours and shuttles that load factor is of concern only to the operator (the coach owner has rented the bus and gets his fee whatever happens).

With express coaches the operator may be depending on selling at least 40 of his 50 seats before making any profit.

On all runs there is a magic circle which ends exactly 72 hours driving distance from the originating city. By EEC rules a coach can be driven for this time with two drivers. One drives while the other rests on a bunk with which the bus must be equipped. After 72 hours a driver who comes fresh from a real bed must take over.

The fact that these problems do arise has helped to take the edge off some of the attraction of coach travel. The autoroute crashes of last year, bad reports about the camp sites on the French Riviera (a major destination for coach travellers) and the television pictures of the results of the Italian customs disputes all helped to tarnish the coach travel image.

Summed, a major user, also reckons the slowing down of growth may have its effect on the coach companies just as it has had on airlines which are now in a throat-cutting fares war in supplies to the tour industry. "A lot of coach operators have expanded their capacity considerably. It is a distinct possibility that there will be a surplus of capacity this year."

As far as the Bus and Coach Council of Britain is concerned, however, this is pessimistic talk. "Coaches have improved enormously. Travelling by coach has become the fashionable thing to do."

After the great egg hunt

How Cadbury's cremed off extra profits

By Feona McEwan

SPARE A thought this Easter for the harassed marketing department of Cadbury's whose three-month creme egg extravaganza was formally closed this week. The cross-Britain hunt for 12 buried gold eggs has ended happily enough. But it was nearly very different.

When it began just after Christmas it seemed a brilliant marketing exercise. There was an enchanting book Conundrum, lavishly illustrated with a text heavy in obscure clues, and the signposts to hidden riches in the shape of Fabergé-inspired golden eggs valued at £10,000 each.

But there was a twist in the tale which gave the event a frission and presented the chocolate house with some sticky problems.

Over-enthusiastic hunters carried fervour to such extremes that busloads of them armed with spades descended on acres of the British countryside in the quest for gold. Questions were raised in the House of Commons and howls of outrage came from archaeological circles.

Ironically, the furore boosted the promotion beyond Cadbury's wildest imaginings. The humble creme egg has never looked back. Market share has shot up from 84 per cent in 1983, according to Audits of Great Britain, to a near monopoly of 94 per cent for the same quarter this year.

The British love of treasure hunts is well chronicled. Five years ago Kit Williams, the author, captured imaginations with his best-selling book Masquerade, a puzzle of a story, the solving of which lead to the discovery of a buried golden hare.

It was this idea which prompted Cadbury's marketing, advertising and sales promotion agency, Triangle, to conceive the unashamedly derivative Conundrum mystery in its seasonal chocolate egg sales drive.

So what was Conundrum? The idea was for consumers to collect one dozen egg wrappers in return for which they received a free copy of the Conundrum paperback, a volume of 12 puzzles or conundrums written by Don Shaw with illustrations by Nick Price. Each puzzle provided clues to the whereabouts of one of 12 hidden caskets based on the local history of the location concerned.

Strict guidelines were laid down: caskets were buried no more than 12 ins deep, under soil or grass; they were not on National Trust land or archaeological sites, nature reserves, parks, gardens, allotments, commercial or industrial property.

Inside each casket was a telephone number which informed the recipient of his prize of a golden egg worth £10,000 (retail value), one of 12 commissioned from the Crown Jewellers, Garrard of Regent Street, London.

January 5 was fixed as the launch date. Then the unexpected happened. Flood-water disturbed a bank of earth next to the home of one Simon Derby. He discovered a casket and his mother promptly rang the given number. But it was still December. "My heart nearly stopped beating," says Mr Norman Hawkins, Cadbury's commercial director. The cover was in danger of being blown a month before launch date. The Derbys were sworn to secrecy.

So the launch day arrived and the chase was on for the remaining 11 caskets.

In the following weeks, creme eggs were consumed by the million, as some 100,000 people earned their free copy of Conundrum. At the same time Hamlyn released a hardback version which went into the Top Ten book list.

By the end of February some five caskets were accounted for. Then the unexpected happened again. The archaeological fraternity protested loudly: they feared that warmer weather and lighter evenings would encourage swarms of people to desecrate beauty spots. In the event, Cornwall was worst hit and Cadbury responded hastily with Press advertisements condemning such ardour. "Stop looking," it said, "on or around Pendle Hill and the Wrekin," and urged hunters to "avoid private property, National Trust land and anywhere dangerous."

Three weeks ago, with just four caskets outstanding, protests reached such a pitch that Cadbury decided to end the hunt.

The author of Conundrum, one of only two people who knew the casket locations, was requested to retrieve the casket believed by so many hunters to be in Cornwall. In fact the site was at Okehampton in Devon, but when Mr Shaw got there he uncovered another mystery.

It had already been found, though no one had come forward to claim the egg. The mystery hunter subsequently revealed himself on condition of anonymity.

This weekend the hunt is well and truly over, with every egg accounted for, though it was due to run until the end of the year, with any left-over eggs being auctioned for charity.

So what of the response? "We believe at the end of the day it has been very successful for the product," says Mr Hawkins. "We've also had scores of letters from teachers and parents saying how much interest the whole idea generated."

Weekend Brief

London belongs to the Arabs

It did not need the Siege of St James's Square to confirm that London has a special role as an Arab city. It is the place where middle-class Arabs can be free from the political and social restrictions of their own societies.

It is the most popular Arab holiday destination, an educational and medical centre, and the place where most of those who can afford it have bought their first foreign property.

The Arabs here fall into several categories. There are regular visitors from the Arabian oil states—some coming for long summer holidays and others on business trips.

There is a large community of Arab bankers. At present there are about 50 Arab banks in London, and the number is growing. Lebanese banks, most of which specialise in financing triangular trading operations for their Lebanese clients, are the newest arrivals.

Health offices attached to most of the Arab embassies supervise the treatment of Arab patients in London. They meet the patient and one or two relatives (paid for by the Arab government) at Heathrow, introduce him to accommodation, arrange transport, an interpreter and private treatment, and pay all members of the party pocket money. Similar education and military offices supervise students and officer cadets.

Arab embassies in London are not much more than expanded consular sections. Some of them—Iraq, Libya and Syria—have a role in keeping an eye on dissidents (to put it no more strongly than that). The others are mainly involved in helping their own nationals in London, arranging official visits and holding receptions.

Many senior Arab diplomats spend more of their time greeting important visitors at Heathrow than in any other professional activity.

The longest term Arab residents are political refugees, from Palestine and from coups d'etat in Anglophone countries, notably Egypt, Iraq and Libya. Many of these are now successful professionals or rich businessmen. Others are perpetual "students."

What all of the Arabs in London have in common is that they live totally Arab lives. They have minimal knowledge of or interest in British culture — in either the intellectual or day-to-day popular sense.

The attraction of London compared with any Arab city is that it is free. Arabs can talk to whom they like and read whatever papers they like. One of the best-respected Arab newspapers, *As Sharq al Awsat* (The Middle East), is published in London and flown to the Arab world daily.

In a different context the Arabs enjoy the freedom of being anonymous in London. In their own countries the Gulf Arabs and Saudis, in particular, know that wherever they go people will know who they are. They have always to concentrate on behaving in an Arabian way in front of other Arabians.

For instance, however much he might want to do so, a Saudi in Riyadh cannot be seen shopping with his wife. In London, although there are other Saudis present, a different set of social rules operates.

A Saudi can appear in public with his wife without inhibitions.


Michael Jackson . . . a wise gamble

Jeremiah in the City

IF David Hopkinson is an iconoclast, at least he has been consistent in his resistance to the orthodox view of the future of the UK securities market. He is emerging as the City of London's persistent voice of doom.

The Stock Exchange has published a blueprint of its intended structure from the middle of this decade. As he surveys the likely outcome after the abolition of fixed stock-broking commissions (when the market's previous clear distinction between principal and agent will blur), Hopkinson is adamant that the draughtsmen should tear up their plans.

Running £2.5bn of various unit trust and pension fund investments, Hopkinson and his colleagues at M & G are substantial users of the securities market, and like any serious consumer his words deserve hearing. He insists that a conflict of interest will arise when the separation of principal and agent is ended. He feels that the small investor is particularly at risk and, as a professional market user, he knows that it is one thing to buy shares from a disinterested market agent and quite another to take shares from a dealer with a long line of over-priced shares up his sleeve.

This is an objection which Hopkinson has maintained since last summer when the shock of the Stock Exchange's deal with the Government, taking the market out of the firing line of the Restrictive Practices Court, first swept over the securities market.

He said then that "we must keep single capacity" (the distinction of the jobber and broker functions) because "the abuses that we'll have otherwise will lead straight to an SEC." The Securities and Exchange Commission is an American regulatory body of a type which many in the City of London do not want to see arriving on this side of the Atlantic.

Hopkinson realises now that it is too late to preserve the old distinction. The huge conglomerations formed between merchant banks, clearing banks, brokers and jobbers have shattered all the old concepts. But, Hopkinson demands, "have we let the baby out with the bath-water?"

"Do the Government and the Bank of England not realise how important it is too maintain properly liquid markets in the second, third and fourth line stocks?" These markets may not be international but they are important in a domestic sense, he emphasises "and they must be able to provide more risk capital to industry, particularly to reduce unemployment in the provinces."

Why the rush to concentrate on the 100 largest shares, those interesting to overseas buyers, Hopkinson wonders. "What evidence is there to suggest that anybody can make a fortune from making a market in the leading shares?"

After all, it is only two years since we were worrying whether a leading firm was going to fail.

"I don't want just 20 very large firms capable of handling the international business. We need smaller houses—particularly regional partnerships—capable of providing a very specialist service." The banks will have to be very much more helpful in providing working capital, he believes far more than they have been so far, to ensure that all firms can continue to make markets across the securities spectrum.

He is depressed by that outlook, the more so since M & G seems a lone voice in its fight against these wholesale changes. All the same, Hopkinson's insistence that London will eventually be forced to adopt an SEC-type supervisory authority is unabated.

It is possible, he admits, that the Bank of England will beef up the powers of the Council for the Securities Industry. "But at present the CSI is a quango to the power of four. The CSI has got to be completely revamped with people who actually understand the markets and who are not just woolly do-gooders. Sir Patrick Neill, the chairman of the CSI, is a lawyer; he is no expert in the City's markets."

It is fatuous, he declares, to pretend—as the Government and the Bank of England seem to suggest—that the system which works in the U.S. can be transferred here. The changes which occurred in Wall Street in 1975 are "trivial" by comparison with the envisaged upheaval in London.

"The SEC gave New York built-in protection. The protections here are either being destroyed or else they never had a chance to exist."

Putting a price on pop video

Where would the record industry be today without the pop video? Where would cable television in the U.S. be without its pop video station, MTV?

Where would Michael Jackson be? All very much poorer. What was begun in 1977 by the band Queen to promote their record *Bohemian Rhapsody* has turned out to be the much needed injection for a jaded entertainment industry.

This October in St Tropez the video industry gets its status acknowledged with its own Oscar ceremony for the best films. This week in London Mr Arthur Sheriff of Dennis Davidson Associates was shouting the achievements of what the British call "the pop promo"; the Americans "the music video"; and the French "the video clip."

If Queen started the ball rolling the American singer Michael Jackson has kicked it furthest. He gambled $1m of his record company CBS's money on the promo for his *Thriller* album and got John Landis, of *Trading Places* success, to direct it. The screening of the video gave sales of *Thriller* a 12 per cent fillup, sending them over the 30m mark and making it the best selling album ever.

On top of this the video of how the *Thriller* video was made has become the best selling video in its turn, sellling 110,000 copies to date in the UK alone. Now negotiations are afoot to release it through cinemas.

In the U.S. MTV is far and away the most successful cable station, picking up 18.4m subscribers through more than 2,000 stations in just over two years by showing pop videos 24 hours a day.

In its turn MTV's policy of screening the videos it liked, irrespective of whether the records were available, gave British bands like Duran Duran and Spandau Ballet their first access to the American market: the video has been responsible for the second British pop invasion of the U.S. and the big jump in record sales in the U.S. last year is mainly attributed to the music video.

In the UK producers of TV commercials are switching to making pop promos. Sheriff reckons that up to 1,300 will be made in the UK this year at an average cost of £15,000.

Most will never appear on television to boost the records but bands now feel vulnerable if there is not a visual representation of their song.

But the very success of the genre is causing a reappraisal. The directors of the videos were once satisfied with a fixed payment for the shoot. Now, with their work appearing again and again on television, they are interested in repeat fees.

The record companies that used to beg the television stations to take their latest films are now appreciating their strength. German TV companies have just started to pay about £400 for a video; MTV in the U.S. is negotiating with Capital EMI a three year deal which will give the cable company first refusal on all videos but at a cost of $1.25m.

Sheriff hopes that one of the talking points at St Tropez will be how much British TV will be prepared to pay for what they have until recently been pressured to take for free.

Contributors:
Michael Field
Ray Maughan
Antony Thorncroft

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.25	7.25	7.25	Seven Day Account
			7.75	Higher Interest acc. 90 days' notice or charge
			5.00-6.50	Cheque-Save
Aid to Thrift	8.50			
Alliance	6.25	7.25	7.25	Monthly income—3 months' notice
			7.50	28 days' notice. Imm. withdwl., 28 days' penalty
			7.25	7 days' notice. No interest penalty
Anglia	6.25	7.25	7.75	3 year Bond. No notice. 3 months' penalty
			7.50	Capital Share. No notice. 1 month's penalty
			7.25	7 days' notice. No interest penalty
Birmingham and Bridgwater	6.25	7.75	7.25	5 days' notice or 20 days' int. pen. £500 min.
			7.75	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	6.25	7.25	7.25	7 ds not. no loss of int. or imm. wd 1 m loss of int.
			7.25	7 days' notice or on demand
Britannia	6.25	7.25	7.25	7 days' notice, 7.50 28 days' notice
Cardiff	7.25	7.75	*7.50	*Share Account balance £10,000 and over
Catholic	6.50	7.50	7.75	@ £5001 +. Monthly int. Extra Share
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	6.25	7.25	7.75	Immed. withdrawal (int. pen.) or 1 mth's not.
Cheltenham and Gloucester	6.25	7.25	7.50	Gold account £1,000 +. No notice. No penalties Monthly interest £5,000 min. 7.76 if added to account
Citizens Regency	6.50	8.00	7.40	Plus account no penalty. Double option 7.50
City of London (The)	6.50	7.25	8.00	6 months' notice—no penalty during notice
Derbyshire	6.25	7.50	8.00	7.25 1 month's not., 6.75-7.60 3 months' notice
Greenwich	6.25	7.50	7.25-7.50	subject to bal./7 days' notice
Guardian	6.50	—	7.75	3 months' £1,000 minimum
Halifax	6.25	7.25	7.25	Xtra Interest, 7 days' notice, no penalty
			7.50	Xtra Interest PLUS 28 days' notice, no penalty
			7.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	6.25	7.50	7.25	5-day notice. 7.25 Flexi-Term
Hemel Hempstead	6.25	7.50	7.75	3 years 7.60 28 days, 7.35 over £5,000
Hendon	7.25	—	7.75	3 months
Lambeth	6.40	7.50	8.05	28 days' plus loss of interest 7.25 3 months'
Leamington Spa	6.35	—	7.50	Top Ten ½ly interest, 7.75 Lion Share
Leeds and Holbeck	6.25	8.00	7.75	3 yrs., monthly int. 7.75 1 mth., notice or pen.
Leeds Permanent	6.25	7.25	7.50	Ex. Int. £500 min. 28 days' notice/penalty
Leicester	6.25	7.25	7.98	compound. 3 years. 7.25 3 months
London Permanent	6.75	—	7.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	6.25	7.75	7.75	3-yr term with 0.5 bonus on mat'y if reinv'td.
Mornington	7.50	7.50	—	Immediate withdrawals—no penalty
National Counties	†6.55	7.55	7.80	1 month notice (no penalty). †£1,000+
National and Provincial	6.25	7.25	7.50	1 month's notice or immediate and interest loss
Nationwide	6.25	7.25	7.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 7.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand with penalty, 7.50 90 days' notice, or on demand with penalty
Northern Rock	6.25	7.50	7.50	Moneyspinner plus, 7 days' notice widl. No pen. min. invest £10,000
			7.25	On invests. £1,000-£9,999
Norwich	7.25	8.50	8.50	City Acc. Immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth's not. or 1 mth's int. loss on sums wdn.
Peckham	7.00	—	7.50	7 days, 8.0 3 months
Portman	6.25	7.75	7.75	Two months' notice, 7.25 no notice
Portsmouth	6.55	8.05	8.40	5 years', 8.00 6 months', 7.75 3 months'
Property Owners	6.75	8.00	7.75	28 dys', 7.75 3 mths', 8.10 6 mths', 7.50 mthly inc
Scarborough	6.25	7.50	7.25	Money Care and Free Life Insurance
Skipton	6.25	7.50	7.25	Sovereign £1,000+, 7.50 £5,000+, 7.75 £10,000+. No penalty. No Notice Mthly Income
Stroud	6.25	7.50	7.85	3 mths', 7.60 £10,000+ no penalty, no notice
Sussex County	6.25	8.00	7.25	7 days' notice, 7.50 SxSh, 6.50 Sh a/c £2,500+
Sussex Mutual	6.50	8.00	7.75	Monthly income at 1 month's notice
Thrift	7.15	—	8.15	3-year term. Other accounts available
Town and Country	6.25	7.25	7.75	3 yrs' ½ yrly. int. Monthly income wdl facility
			7.50	7 days' notice no interest penalty. ½yrly int.
Wessex	7.60	—	—	No notice. No penalties
Woolwich	6.25	7.25	7.25	7 days' notice
			7.50	28 days' notice or on demand (interest pen.)
Yorkshire	6.25	7.25	7.75	Diamond key, 60 days' penalty or 28 days' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

ISSUE NEWS

Microvitec heads for USM to help finance expansion

BY ALISON HOGAN

TONY MARTINEZ, chairman of Microvitec today receives the Queen's Award for technological achievement in developing specialised colour displays for computers.

It is the fourth award Mr Martinez has collected in the short period since he formed the company in July 1979 with his brother John. They spotted a gap in the market for a colour visual display monitor which was compatible with a whole range of micro and personal computers. Next month Microvitec will launch itself on the Unlisted Securities Market.

They developed the product with the help of a small team of engineers working from an industrial unit in Bradford. They built up a range of monitors for use with most microcomputers which were so popular they found it hard to keep up with demand. They moved a couple of times until reaching the present Bolling Road site which has the capacity to handle up to 400,000 units a year.

John Martinez left the business in February 1981, but Tony Martinez has continued as chairman building up the business until it is now a market leader in the UK employing around 160 people. The public issue is to help finance ambitious expansion plans including the development of new products and increased exports.

In 1982 Microvitec produced 13,000 units. Last year the number rose to 50,000. Sales in 1983 of £9.6m and pre-tax profits up from £2.67m to £9.61m are sufficient for a full listing. But Microvitec has grown so quickly it does not have the necessary five-year trading record so it is starting public life on the USM.

The adaptability and cost of Microvitec's Cub monitor has won it some lucrative contracts including in 1982 BBC approval for use with the BBC computer system.

Through its wholly-owned subsidiary Microcolour Graphics formed in June 1982, Microvitec is developing colour display technology of high sophistication for the computer systems market.

Microcolour Graphics has three models in production and a fourth soon to be launched into a market which is growing at a rate of over 30 per cent per annum.

Microvitec is moving so fast that the company that decided to come to the market some time ago will be a different company when it arrives on May 10. In October 1983 it started production of a range of switch mode power supplies. It will soon launch a floppy disc assembly. The strategy for 1984-85 is to make a big export thrust into the U.S.

Microvitec, advised by Hill Samuel with W. Greenwell as brokers, is expected to come to the market on a demanding multiple with a market capitalisation of around £40m.

Sutherland family puts 25% stake up for sale

BY WILLIAM DAWKINS

SHEFFIELD-BASED meat products group E. T. Sutherland and Son will shortly be savouring a slice of the action on the Unlisted Securities Market.

The family-owned company, which was founded in 1827 by the father of the present chairman, will be coming to the USM via an offer for sale of 25 per cent of its enlarged equity. The family and directors will be selling 2.75m shares and 1m new shares will be issued to raise money.

Sutherland makes and distributes a range of quality chilled fresh foods, including meat and fish spreads and cooked meats for slicing. It also produces canned meats, soups and ready meal products for sale to retailers and distributors, mostly under their own brand names.

The company has 4,800 customers, mostly in Yorkshire, Lancashire and the North-East. Around half of its sales are to major grocery multiples, including Asda, Argyll Foods, Fine Fare, Dee Corporation and Woolworth, with the rest going to small independent retailers.

Pre-tax profits rose from £1.3m to £1.6m in the year to last December, on turnover up from £17.7m to £20.3m. Between 1980 and 1981, profits declined slightly from £500,000 to £465,000 due to the combined effects of higher advertising spending, a change in raw material purchasing arrangements, and extra contributions to make up arrears on the former chairman's pension scheme.

Sutherland, which is a regional market leader in open-pack spreads and fresh chilled meats, plans to broaden its product range for existing customers. The group is also looking at the possibility of expanding its distribution southwards where it believes there may be a growing demand for its delicatessen products.

Own-label canned foods constitute its major growth area, with customers including Sainsbury and Tesco. Canned foods turnover rose from £3.8m in 1979 to £7.8m last year.

The offer for sale is intended to wipe out net borrowings of £700,000 — or 25 per cent of shareholders' funds — and provide greater status and further scope for expansion.

A full prospectus will be published on Friday, and the application list will open and close the following Thursday. Samuel Montagu is arranging the issue and the brokers are Scrimgeour, Kemp-Gee.

Allebone profits expand

TAXABLE PROFITS at Allebone & Sons, footwear manufacturer and retailer, climbed from £91,000 to £404,000 for the year ended January 31 1984. The directors have exceeded their mid-way expectations with the payment of a 1p final dividend—they expected to pay not less than last year's 0.5p.

The group profit includes £97,000 gained on the disposal of properties, and shows a change of fortune for the two main subsidiaries. On the retailing side, Tandem Shoes benefited from the major restructuring of two years ago, turning last year's £48,000 loss into a £336,000 profit on turnover of £10.7m (£10.3m). Further significant growth is planned for the current financial year.

Write-offs cost Dunlop £138m

FURTHER PROFITS were earned by Dunlop Holdings in the second half of 1983 following a return to the black in the interim period.

But the full year taxable profit of £17m, against a £7m loss, was turned into double net attributable losses of £166m after substantially higher extraordinary charges.

The charge amounted to £138m, with the bulk of it attributable to European tyres. Some £115m was set aside for this activity, of which £92m related to the disposal of tyre manufacturing facilities to Sumitomo Rubber Industries: included is a provision of £12m for net anticipated losses in 1984.

Dunlop SA's receivership accounted for £39m and other rationalisation costs amounted to £24m. The remaining £23m was for Diversified Products.

Ordinary shareholders' funds at the year end were £141m lower at £110m.

Commenting on the high cost of pulling out of tyre manufacturing in Europe, Sir Maurice Hodgson, the chairman, says that it means the "end of a major cash drain."

Further, he says that it would enable Dunlop to turn its attention to other more successful areas of the group.

And, Sir Maurice adds: "Given a fair economic wind we have a viable and profitable future and we are continuing to trade profitably.

"1984 should show the end of the restructuring and 1985 the beginning of more selective growth starting from smaller sales."

If the tyre business being sold to the Japanese were excluded from the latest results then pre-tax profits would have been £10m higher, even before taking into account financing charges, Sir Maurice points out.

Overall group results for the first quarter of 1984 show a "significant improvement" over the corresponding period, Sir Maurice says. Additionally, he says that Dunlop will benefit from the radical actions taken in 1983, particularly following the first stage of the European tyre business disposal.

Further disposals could be on the cards with Dunlop and its advisers and bankers looking at ways to reduce its "still extremely high" level of debt currently standing at £320m.

Sir Maurice declines to say which areas are under consideration but admits that some of Dunlop's assets in the Far East could be floated off.

Dunlop is looking at other ways of reducing or selling its stake in Dunlop Malaysian Industries, Sir Maurice says, following the failure of last year's plan to sell it for £55m to Pegi Malaysia Bhd, the group's major shareholder.

There is no dividend for shareholders and the loss per 50p share, before extraordinary items, is shown as 20.4p, compared with 36.7p.

A review of worldwide activities reveals that in the UK the rate of loss in the tyre business reduced in the second half and the loss for the year was less than that incurred in 1982. The engineering, consumer sports and industrial businesses all improved their results.

In the other EEC countries the profit of the German subsidiary was higher than in 1982 but substantial losses were again suffered in France and the European selling companies were also in loss.

The U.S. subsidiary increased its profits for the third year running and contributions from the African offshoots were maintained, but profits from the Far East were slightly lower.

Dunlop Nigerian Industries is now a related company and its sales have therefore been excluded from the 1983 total; on the same basis the group sales were £106m, or 7 per cent higher than 1982. Dunlop's 1982 operating profit included a £4m loss from Nigeria.

Group operating margins improved slightly in 1983 with higher operating profits of £63m, against £41m, achieved on turnover of £1.6bn (£1.53bn).

The sterling equivalent of overseas sales was 10 per cent up at £1.1bn but most of the increase stemmed from exchange rates. Sales of the UK companies were £504m (1 per cent higher), and the value of exports was £130m, a 4 per cent improvement.

Depreciation set against profits was £3m higher at £47m and share of related companies profits fell to £5m (£8m). However, financing charges were reduced by £5m to £51m.

As well as the large below the line extraordinary debits, Dunlop paid tax of £26m (£31m) and minority debits amounted to £19m (£14m). Dividend payments totalled £1m (£3m).

See Lex

Yorkgreen pays £1.2m for private company after missing target

Yorkgreen Investments, the advertising contractor, lighting products and U.S. oil and gas investment group, has announced a £1.2m cash acquisition and a missed profits forecast.

The group, which moved from a full listing to the Unlisted Securities Market last April, is buying privately-owned Sitwell Products. Its subsidiary and sole trading operation, Stilwell Darby, is the UK's largest publisher of theatre programmes, with contracts for 66 threates, seven of which are in London.

Stilwell also provides audio visual advertising displays for 15 theatres. Sitwell's pre-tax profits declined from £123,282 to £111,221 in the year to March 1983 on turnover up from £848,460 to £923,658. In the seven months to last October, pre-tax profits reached £95,544.

Yorkgreen's pre-tax profits on ordinary activities rose from £168,594 to £400,695 in the year to last October, on turnover up from £1.7m to £2m. Group profits rose to £554,075 on the inclusion of £153,380 pre-acquisition profits from Stamfast, the Blackpool-based advertising contractor and publisher which Yorkgreen bought last April for £1.64m. At the time of the deal, Yorkgreen forecast full-year profits of not less than £610,000.

The shortfall is entirely due to a 48 per cent decline to £133,500 in the profits of the Interlite Linear Controls lighting subsidiary. A former trading partner set up in direct competition to Interlite during the year, with the result that sales fell from £1.6m to £1.5m and prices came under pressure. Before the set-back, Interlite was expecting to make around £300,000 before tax.

Despite Interlite's shortfall, group earnigs rose from 2.42p to 3.44p per share. A final net dividend of 1.713p gives a total of 1.4p as was forecast at the end of the previous year, when the total pay-out was 0.525p.

● comment

Without Stamfast's first contrition, Yorkgreen would have slipped into reverse thanks to an unwelcome tussle in the lighting market. Interlite's problems only underline how urgently the group needed to add an new leg to its portfolio. In that sense, the Sitwell deal seems a rational move, even if the price stands at more than twice net assets. Although the theatre industry is not exactly booming, Yorkgreen claims it can squeeze a great deal more advertising revenue from Sitwell's existing theatre programme contracts. There is the possibility of a link with Stamfast's Rotasign displays and room for growth in audio-visual advertising in theatres. That said, there appears to be only a tenuous common thread to the group's interests. Apart from oil, they are supposed to be light on assets and good on cash flow—a bit like a bijou Hawley, but a standard Yorkgreen has yet to match. The shares slipped 2p to 30p, where the multiple 8.4 on stated earnings.

Grampian gets boost from advertising

Mainly as a result of obtaining a higher share of a much increased network advertising revenue, Grampian Television has advanced its profit by £413,000 to £1.18m in the year ended February 29 1984. And that was after charging £307,000 Exchequer Levy, against only £6,000 in the previous year.

The company, which is the independent television contractor for the North of Scotland, is raising its dividend from 3.6p to 4.5p net, with a final of 3.3p.

If the present level of advertising revenue continues, then results for the current year should be sustained at a similar level to those being reported, the directors forecast.

They say that the failure of the IBA transmitter at Durris on January 17 caused much inconvenience and loss of viewing for many days, but it did not materially affect the financial results because of the insurance cover.

Turnover in the year improved from £11.21m to £13.89m. After tax £480,000 (£215,000) the net profit comes to £701,000 (£553,000) for earnings of 15.6p (12.3p) per share.

An extraordinary provision of £174,000 for deferred tax has been made. This follows the proposed changes to capital allowances — plans for future purchases of plant had indicated a low tax charge but this is no longer realistic, the directors feel.

Losses cut at Audio Fidelity

In the half year ended October 31 1983 Audio Fidelity cut its loss from £179,487 to £128,609 on turnover of £1.71m, against £1.6m. The group makes, distributes, and sells hi-fidelity sound equipment.

In retailing, non-recurring costs relating to the closing of the most unprofitable branches have been higher than anticipated. Further contraction of retail outlets is continuing.

The newly formed distribution company did not achieve profitability by the end of October, but continues its satisfactory growth.

The manufacturing side broke even. The order loading is higher than at any time since the recession, but the sharp increase in demand is creating problems which have yet to be overcome.

Polymark £426,000 in the red

THE ADVERSE swing in the French operations of Polymark International soared to nearly £1.3m by the end of 1983. This pushed the group into a loss of £426,000 for the period, compared with a profit of £475,000 in 1982.

Polymark France swung from a profit of £315,000 to a loss of £470,000 mainly because of a severe and unexpected decline in the demand for laundry equipment from the public sector. However, the complex problems are being tackled and management action taken is yielding some positive results; and the way the rest of the group is being developed will make it less dependent on the performance of Polymark France, the directors state.

The group is making a good start to 1984. In France the order book is healthier than it has been for some time, but it is difficult to make a firm prediction because of the uncertain political and economic climate.

In the laundry and technographics divisions the volume of orders taken in recent months indicates that the improved performance evident in 1983 is continuing this year. The agricultural side is expected to eliminate its trading losses once the major programme of investment in more sophisticated facilities is completed later this year.

Group turnover fell from £24.34m to £19.95m, with France accounting for £8.2m (£12.9m), and net operating income from £1.64m to £438,000. The pre-tax loss was struck after exceptional debit £215,000 (£234,000) and interest payable £649,000 (£932,000).

Tax takes £79,000 (£469,000) to bring the loss up to £505,000 (profit £6,000). There is a minority credit £50,000 (debit £33,000) and an extraordinary debit £101,000 (credit £500,000). The loss per share is 11.27p (loss 2.67p).

Towards the end of 1982, the directors resolved that the Sussex-based factory should form the basis of a new agricultural division. This decision was made in recognition of encouraging prospects for the Polymark designed range of compact tractor implements.

It was, therefore, decided to phase out production of heavy laundry machinery during 1983, but the general disruption and write-offs created by this change of direction were major factors contributing to a trading loss of £213,000 (£82,000) for the year.

The process of reorganising the UK-based divisions continued satisfactorily. Relocation of the laundry division to Banbury was completed and has since led to an increase in efficiency.

Technographics also performed in line with expectations, recovering well from the severe downturn in demand experienced during the second half of 1982, and made £104,000 profit (loss £197,000).

● comment

Everything seems to have conspired to make Polymark's results last year as bad as possible taking the share down 4½p to 14p. The disaster in France hit the company just as the UK operations were going through a drastic reorganisation, involving write-offs, redundancy and severe disruption. Indeed, the performance in France was so bad and the prospects are so poor, that the group must be seriously thinking of pulling out altogether, leaving a market where it has operated for 22 years. Elsewhere, there are justifiable hopes that a slimmed down laundry machine business in the UK, and, more particularly, the technographics business, making labels for clothes and shoes, will recover strongly in 1984. The agricultural equipment division is however an unknown quantity — set up only at the end of 1982 it is still in its infancy and not expected to break into profit until 1985. Polymark needs to shed its French business quickly and painlessly to bring gearing down from the present 90 per cent and to leave management free to concentrate on the other operations.

Some recovery seen at Bodycote

SOME RECOVERY has been shown by Bodycote International in 1983, both in profit and dividend. And the directors are more enthusiastic about the future, with all sectors of the group busier than at any time during the past three years. They feel that the proposals outlined in the Budget will be generally to the advantage of industry in general.

From a maintained turnover of £26.29m, compared with £26.23m, the profit before tax has been pushed up from £812,000 to £1.02m, with an advance from £1.04m to £1.29m in the UK and lower interest charges offsetting a turnround to a £28,000 loss (£174,000 profit) overseas.

The final dividend is 2p for a net total of 3.5p, the minimum forecast. In 1982 the company paid 3p.

A split of the profit, before holding company expenses and central financing costs, shows in percentages: industrial protective clothing and safety products 18.3 (30.9); metal treatment 47.4 (39.1); industrial and general textiles 31.4 (25.7); investment and financial services 2.9 (4.3).

Mr J. C. Dwek, chairman and managing director, says 1983 has in many ways been a positive year for the group. The previously reported intention of structuring the group so that its bias lay towards service industries has been implemented further, and those subsidiaries now account for 63 per cent of profit.

Trade in Holland and West Germany is much improved in recent months but in 1983 Europe sustained a small loss (in contrast with average profits for many years of some £500,000), highlighting the extent of the rebuilding programme and the timeliness of the development of the metal treatment division.

In the trading divisions, since 1979 the group has substantially built up its interests in metal treatment and this now represents the main thrust of future expansion.

Mr Dwek says substantial capital investment in the Rotherham factory of Cook and Knight (Metallurgical Processors) is being considered, with a view to widening the range of existing services and responding efficiently to local demand.

In the remaining areas of the division both Zinc and Alloy Rust-Proofing Company and British Brazing completed an outstanding year and further progress is expected in 1984.

Turning to the industrial and protective clothing and safety products division, the chairman says that in Holland and West Germany the rationalisation programme continued to progress, stocks have been reduced and the companies are operating to better effect.

In the UK the 1983 performance of Supercraft has been excellent after two difficult years.

After tax £334,000 (£296,000), minorities £4,000 (£5,000) and extraordinary charges of £54,000 (£515,000), there was an available profit of £624,000, in 1982 (loss £4,000). Earnings are shown at 8.64p (6.46p) per share. Following the Budget proposals regarding capital allowances, the company has charged direct to reserves £120,000 against potential liabilities for deferred tax.

Danks deficit soars to £1.7m: interim omitted

CONTINUED difficult trading conditions, particularly in steel, and the need to make provisions have hit Danks Gowerton in the six months ended December 31 1983, and the group loss has shot up to £1.7m. This compares with £99,000 in the corresponding period and with £1.34m recorded by the end of the year to June 30 1983.

The provisions are made against certain contracts, obsolescent stock and contingent liabilities in respect of anticipated litigation costs. However, the directors say the liquidity position has improved through the tightening of financial controls and the sale of some surplus properties.

No interim dividend is declared; last year there was a single interim payment of 0.25p.

The directors are determined to correct the company's performance, and in line with this policy Mr T. J. Roe has resigned as chairman and left the company, and Mr J. Stone has been appointed a director and was elected chairman on April 11. Mr A. J. S. Roe, who has suffered severely from ill-health, remains on the board in a non-executive capacity; the chief executive is Mr D. Watson.

In the half year the demand for steel remained at a low level and this division continued to incur heavy losses. Action has been taken to counteract this and it is anticipated that the division will move towards profit during the final quarter of this financial year. "This division remains vulnerable and will be kept under close scrutiny," the directors state.

The engineering division traded at near break-even before charging provisions, and it should achieve a trading profit in the second half. The property side continued to incur unsatisfactory losses as a result of the group being unable to utilise fully its own properties. Therefore, a professional firm has been engaged to appraise the properties and make recommendations.

Sales of the group, which is engaged in the processing of steel, the design and manufacture of boilers and plant, fell to £6.28m (£7.92m). There is an extraordinary debit of £135,000 (nil) and the loss per share is 24.52p (1.53p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Benford Concrete	2.75	May 25	2.61	3.75	3.48
Bodycote	2	July 2	2	3.5	3
Danks Gowerton ...int	nil	—	0.25	—	0.25
Dunlop Holdings	nil	—	nil	nil	2
J. E. England	nil	—	0.44	nil	0.88
Fitzwilton ...int	1	July 2	1	—	2
Flogas† ...int	0.88	May 18	—	—	—
Fortnum and Mason	25	June 28	19.72	28.5	23.22
General Scottish	2.3	July 11	2.1	3.1	3.1
Grampian TV	3.3	June 22	2.5	4.5	3.6
Johnsen and Jorgensen	2.15	—	1.75	3.15	2.75
Thomas Marshall	1.2	—	nil	1.2	1.2
Photax (London)	nil	—	2	nil	3.5
Scottish Heritable	3.5	—	3.3	6.4	6.4
SI Group	0.44	June 25	0.38	—	1.38
Toye and Co	2.25	June 8	1.75	2.25	1.75
Yorkgreen‡	1.17†	—	0.28	1.4	0.53

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Laporte Industries, the UK chemical group, is selling its titanium dioxide business to SCM Corporation of the U.S. for between £85m and £90m cash. The deal will allow Laporte to diversify away from cyclical intensive businesses and at the same time the deal will make SCM, already the U.S. market leader, one of the world's largest titanium dioxide producers.

Scottish and Newcastle Breweries, the fourth largest brewer in the UK, is paying £44m for J. W. Cameron, the Hartlepool-based brewer owned by Ellerman Lines, a private concern. Cameron runs 460 public houses and 80 off-licences situated in Yorkshire and Cleveland, an area in which S & N has been looking to expand its traditional Scottish and North East trading operations. Ellerman's interests will still include Tollemache and Cobbold, the East Anglian brewery company, and a fleet of 16 container ships either wholly-owned or operated in partnership.

Whitbread acquired 23 Henekeys Inns from Trusthouse Forte, at a cost of £10.5m, which will complement the Beefeater Steak Houses already operated by Whitbread.

On the bid front, Waterford Glass, the Irish-based crystal glass manufacturer, disclosed that it had commenced discussions with a number of interested parties which may lead to an offer for the company.

Control of Arthur Henriques, the Manchester-based ladies clothing manufacturer, has changed hands. Maxmillian Enterprises, a private concern, paid £622,000 for 2.07m shares representing about 52 per cent of the equity. The stake was acquired at 30p per share from Henriques' managing director Mr A. Gold. Under the City Code, the same terms will be extended to other shareholders.

Suter increased the terms of its offer for Francis Industries, the metal packaging and gearbox components group. The revised offer comprises one Suter share plus 120p cash for every two Francis shares. Francis' directors and their advisers consider the new terms inadequate and do not recommend shareholders to accept.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Black (Michael)	75§§	71	47	2.80	Emess Lighting
Black (Michael)	52	71	55	1.94	Highgate & Job
Border Brew	236§ ‡‡	233	290	10.97	Marston Thmpsn & Evershed
Brockhouse	59	56	47½	10.20	Evered
BKG	78‡ ‡‡	73	65††	11.76	Irish Distillers
Comet	230	228	200	185.96	Woolworth
Crosby Woodfield	15½	13½	14½	3.24	Habit Precision
Dreamland Elect	31§	31	29	4.66	Valor

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Dura Mill	225*§	280	115	0.07	Corp Fincl Servs
Francis Inds	128§ ‡‡	127	121	9.46	Suter Elect
Macpherson (D.)	75*	110	68½	13.58	Becker
Macpherson (D.)	117½	110	89	21.28	Yule Catto
Makin (J. & J.)	490*	480	243††	8.04	Bibby (J.)
Martin (Albert)	42*	54	39	3.50	Wilson & Co
New Equipment	70*§	70	49	0.50	Lathamstone
Oil & Assoc Inv	¶¶	148	137	¶¶	Cliff Oil
P.E. Industrials	112*	108	96	21.78	Tadeale
Porter Chadburn	88*§	112	113	1.46	C. M. Firth
Prestige	267*	258	250	48.53	Gallaher
Prince of Wales Hotels	145*†	73	117	7.90	Taddale Invs
Sharpe (W. N.)	500*	477	515	27.94	Hallmark Cards
Sharpe (W. N.) A NV	460*	440	470	8.10	Hallmark Cards
Steaua Romana					
Steaua Romana Rest V	50*	48	49	5.29	Clabir Intl
Defd	50*	48	38	0.86	Clabir Intl
Walker (James)	158*	156	152	14.11	Samuel (H.)
Wlkr (James) NV	131*	129	122	14.84	Samuel (H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ‖ Unconditional. ‖ Loan stock alternative. ** Based on 19/4/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Related to NAV to be determined.

Rights Issues

British Car Auctions—£17.2m via a for for 13 rights issue at 88p per share.

Satellite TV—Rights issue to raise £5.3m.

Wace Group—To raise £610,000 by way of of a one for one rights issue at 20p per share.

Websters—£3.15m rights issue on a one for three basis at 84p per share.

Williams Holdings—£2.77m rights issue on a three for eight basis at 117p per share.

Bank of Scotland—To raise £41.57m by way of a one for two rights issue at 260p per £1 stock unit.

Albert Fisher—To raise £2.48m by way of a one for four rights issue at 68p.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AMEC	Dec	26,100	(16,500)	27.9	(24.6)	10.0	(9.0)
Arcolectric	Dec	137	(101)	1.4	(1.0)	0.4	(0.3)
Armitage Bros	Dec	528	(528)	66.0	(76.0)	30.0	(30.0)
Arrow Chemicals	Dec	516	(380)	4.6	(2.1)	1.6	(—)
Ash & Lacy	Dec	3,410	(3,077)	56.3	(52.3)	20.0	(18.0)
Bank of Scotland	Feb	59,300	(49,600)	88.2	(71.2)	28.0	(24.0)
Barrow Hepburn	Dec	1,120	(565)	—	(—)	2.2	(2.2)
BPCC	Dec	23,030	(12,411)	15.3	(11.4)	5.0	(—)
Boustead	Dec	217	(452)	—	(—)	0.5	(1.25)
Bowthorpe Hldgs	Dec	15,250	(12,420)	—	(—)	4.68	(4.04)
Bramall, C. D.	Dec	2,310	(1,950)	31.2	(21.5)	6.7	(6.0)
British Syphon	Dec	412	(599)	3.1	(4.3)	1.4	(1.4)
Brook St Bureau	Dec	437	(607)L	3.6	(5.0)	1.8	(1.8)
BSG International	Dec	3,270	(1,290)L	3.8	(—)	1.0	(0.1)
Chemical Methods	Dec	144L	(956)L	—	(—)	—	(0.8)
Cooper Inds	Jan	310††	(139)L	0.9	(—)	0.5	(0.5)
Cory, Horace	Dec	304	(368)	1.3	(2.0)	1.4	(1.4)
Currys Group	Jan	22,520	(14,960)	28.9	(20.5)	8.1	(6.7)
Eibar Industries	Dec	1,070L	(2,310)L	—	(—)	—	(—)
Fogarty	Dec	1,660	(1,120)	12.4	(—)	4.02	(4.02)
Gill & Duffus	Dec	24,000	(19,210)	19.0	(11.0)	10.0	(8.4)
Goal Petroleum	Dec	2,940	(920)	6.6	(1.9)	1.0	(—)
Greenbank Ind Hls	Dec	1,680	(2,360)	3.5	(4.8)	2.0	(2.0)
Harrison Cowley	Dec	710	(537)	7.3	(5.1)	4.55	(4.2)
Harrison, T. C.	Dec	3,210	(3,030)	12.9	(9.8)	5.25	(4.5)
Hawker Siddeley	Dec	137,500	(116,300)	43.0	(29.9)	11.0	(9.6)
Henara	Dec	1,650	(673)	8.7	(3.9)	4.4	(3.3)
Johnsen & Jorg	Dec	827	(751)	—	(—)	3.15	(2.75)
Juliana's Hldgs	Dec	1,160	(590)	16.1	(8.1)	7.5	(5.0)
Laird Group	Dec	21,080	(19,100)	17.3	(14.5)	6.7	(6.1)
Lamont Hldgs	Dec	2,040	(570)	10.0	(8.8)	1.7	(1.3)
Lawrence, W.	Dec	2,630	(2,240)	44.3	(40.5)	10.25	(9.3)
Lendu Holdings	Dec	102	(14)	3.7	(—)	1.5	(0.5)
Markheath Secs	Dec	2,070	(1,530)	—	(—)	9.36	(—)
MCD Group	Dec	1,790	(789)	7.7	(3.7)	1.0	(—)
Microlease	Feb	382	(258)	6.6	(4.1)	2.5	(2.0)
NEI	Dec	42,700	(39,500)	10.7	(11.3)	5.35	(4.75)
Owen Owen	Jan	1,190	(1,650)L	—	(—)	2.5	(2.0)
Pearson, S.	Dec	77,350	(59,850)	46.1	(33.1)	14.0	(11.0)
Raybeck	Jan	1,310	(457)L	3.4	(—)	0.5	(0.5)
RMC Group	Dec	71,600	(44,800)	37.6	(24.3)	13.0	(10.2)
Sindall, W.	Dec	572	(561)	—	(—)	8.0	(7.5)
Smallshaw, R.	Dec	225	(123)	6.8	(7.6)	1.75	(2.25)
Solicitor's Law	Dec	70	(445)L	0.8	(—)	—	(0.9)
Spong Holdings	Dec	77	(162)L	3.1	(—)	1.4	(1.1)
Stanley, A. G.	Jan	596	(67)	1.7	(1.1)	0.3	(0.3)
Steel Brothers	Dec	11,060	(10,080)	47.6	(51.7)	13.0	(11.6)
Stylo	Jan	1,100	(770)	8.6	(5.9)	4.5	(3.5)
Sunleigh Elec	Dec	402	(31)L	1.1	(—)	0.25	(—)
Sun Life Ass	Dec	9,650	(7,730)	—	(—)	16.45	(13.4)
Tilbury Group	Dec	2,920	(2,510)	12.3	(11.7)	4.4	(4.0)
Turriff Corp	Dec	2,040	(2,026)	38.5	(41.0)	7.0	(5.3)
United Ceramic	Dec	159	(467)L	—	(—)	3.5	(3.5)
Upton & Sons	Jan	4,821	(250)L	—	(—)	—	(—)
Wace Group	Dec	185L	(361)L	—	(—)	—	(—)
Wardle	Dec	465	(945)L	3.3	(—)	3.0	(0.5)
Websters	Dec	2,090	(1,680)	10.3	(7.7)	3.1	(2.7)
York Trailer	Dec	507	(31)L	3.2	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Adwest	Dec	2,660	(2,406)	1.5	(1.4)
Bryant Holdings	Nov	4,730	(3,470)	1.0	(0.85)
Dewding & Mills	Dec	1,240	(989)	0.95	(0.86)
Highland Elec	Oct	320	(201)	—	(—)
McKechnie Bros	Jan	6,930	(5,770)	2.0	(2.0)
Ratcliffe, F. S.	Oct	41	(36)L	—	(—)
Samuelson Grp	Sept	532	(410)	—	(—)
Ulster TV	Sept	376	(461)	4.5	(3.7)

(Figures in parentheses are for the corresponding period.) * Dividends are shown net pence per share except where otherwise indicated. † For 53 weeks. ‡ In cents. †† For 9 months. L Loss.

Offers for sale, placings and introductions

Baillie Gifford Technology—Offer for subscription of 10.5m shares at 100p.

Border & Southern Stockholders Trust—Issue of a 15m long term debenture stock.

Greggs—Coming to the Stock Exchange via an offer for sale.

Old Court Currency Fund—Offer for subscription of up to 5m part-red. pref. shares of U.S.1 cent each.

Plantation & General Investments—Seeking a full listing by way of an introduction.

Scrip Is

Bank of Scot

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

When construction group George Wimpey announces its results for 1983 on Thursday, the figures will be confused by a series of major property deals and write-offs on unprofitable overseas contracts. The group is expected to take £35m of write-offs and £43m of property disposal profits above the line, giving a net gain of £8m. The underlying trading performance should show strong gains from U.S. and particularly Canadian housebuilding, with a less dramatic recovery in the UK. In line with the industry, UK building and civil engineering will have experienced pressure on volumes and margins, while overseas contracting will have continued to be difficult. An increase in pre-tax profits from £45.7m to perhaps £58m looks within reach. The consensus is for a 10 per cent increase on the previous year's dividend of 3p net.

Laporte Industries' preliminary results for 1983, due on Thursday, will have all the appearance of a historic document following the sale announced last week of its titanium dioxide business for about £90m. For the record though, these operations should show the benefits of slightly firmer demand and better selling prices. Interest will, however, be focused elsewhere, particularly on the 50 per cent owned Interox, maker of peroxygen chemicals, where profits will be up following the staunching of losses in the U.S. and recovery in West Germany and the UK. There should also be higher than expected contributions from the recent acquisitions, notably Micro-Image Technology and Sovereign, reflecting the group's success so far in its diversification into speciality chemicals. Pre-tax profits of about £30m are on the cards, against £20.7m in 1982.

The cement price freeze is inflicting torture for Blue Circle, the largest cement producer in the UK market. And concrete has not worked in Northern Ireland, where imports rapidly taken about a quarter of the market from BCI the only big player there. So analysts are expecting 1983 profits to be announced on Thursday, to be around the £107.8m made in 1982, after allowing for a new, less conservative depreciation policy. There will be the benefit from the three U.S. plants bought in mid-year, from Aberthaw, previously an associate and from a strong showing at Armitage Shanks. Overseas results will be mixed: Malaysia well up, South Africa down, and Latin America anyone's guess. A rise in the interest charge on the back of the big spending programme is expected. Hopes are for an increase in the final dividend even though the interim was unchanged.

Against the background of continuing uncertainty about the eventual home of the Lonrho stake, House of Fraser is due to announce its preliminary results for 1983 on Thursday. With the first half showing a strong recovery, it will be the more important second half that is expected to confirm the trading pattern elsewhere in the sector that department stores have been at the sharp end of the consumer boom. Harrods, especially, should have made a strong showing thanks to the tourist spending spree last autumn. On top of this there should be some benefits filtering through from the refurbishment programme in the Lifestyle departments, as well as some group-wide rationalisation, and improved merchandising and marketing. Analysts are expecting full year profits of around £40m (£30.9m) excluding the uncertain property surplus.

Analysts hunting for the first signs of the next downturn in the chemicals industry will find no evidence of it in Imperial Chemical Industries first quarter results for the period to March 31, due Thursday. The cyclical fibre and petrochemicals and plastics businesses should see improvements on the small profits achieved towards the end of 1983, compared with losses recorded for the first quarter last year. The results should benefit from the combination of better prices, bigger sales and an improvement in the D-mark against the pound. But the main contributions to growth should come from the non-cyclical businesses—agriculture is expected to show the effect of strong demand on the UK; pharmaceuticals, now the largest business by profit, should benefit from the continuing demand for Tenormin, now the world's biggest selling beta-blocker. Overall, profits should have a further lift from the substantial impact the company's cash flow is having on debt and therefore interest charges. For the quarter, pre-tax profits of £220-£230m are expected against £128m for the corresponding period.

Other companies due to report on Thursday include Telephone Rentals, UBM Group, Clive Discount and Minet Holdings, all for their full years. On Friday, Flight Refuelling is due to publish its final results.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Anchor Chemical Group	Tuesday	1.0	2.0	1.0
Bardsey	Tuesday	—	0.1	—
Beatails	Tuesday	0.3	1.3	0.35
Bodle Holdings	Thursday	2.4	7.6	2.4
Blue Circle Industries	Thursday	6.0	12.25	6.0
Boot, Henry	Friday	3.0	11.5	3.0
Caparo Industries	Tuesday	0.5	0.75	0.65
Clement Clarke	Tuesday	1.15	2.35	1.3125
Clive Discount Holdings	Thursday	1.3	1.9	1.4
Cole Group	Thursday	1.0	2.0	1.5
Crowndbrae Holdings	Friday	—	0.3	—
Edinburgh Investment Trust	Tuesday	0.873	1.3	1.0
EIS Group	Thursday	1.5	3.5	1.65
Ellis & Goldstein	Wednesday	0.85	1.3	0.85
Emess Lighting	Tuesday	4.5	3.25	5.0
English National Investments Co	Tuesday	4.25	5.75	4.4
Estates and Agency Holding	Thursday	—	2.0	—
Ex-Lands	Wednesday	—	0.6	—
Farnell Electronics	Thursday	0.75	1.25	1.2
Finlay James	Thursday	2.0	2.9	2.5
Flight Refuelling (Holdings)	Friday	0.74687	1.28687	0.9
Futura Holdings	Tuesday	1.3125	2.25	1.5
Gold and Base Metal Mines	Wednesday	—	—	—
Herman Hay	Thursday	1.25	1.85	1.25
Helene of London	Tuesday	0.37	1.11	0.37
Hopkinsons Holdings	Friday	1.2	3.32	1.2
House of Fraser	Thursday	2.0	5.5	2.5
Lake View Investment Trust	Thursday	1.55	2.7	1.55
Laporte Industries	Thursday	3.5	5.25	4.0
Marshall's Universal	Wednesday	—	—	—
Minet Holdings	Thursday	2.45	7.1	2.73
Moss Bros	Tuesday	1.05	2.5	1.54
Neill, James Holdings	Thursday	—	—	—
New Australia Investment Trust	Tuesday	—	1.5	—
Noble & Peacock	Tuesday	1.3	1.82	1.47
Office and Electronic Machines	Thursday	2.5	5.0	2.5
Perry Harold Motors	Thursday	1.5	2.25	1.5
Ruck & Tompkins Group	Tuesday	1.65	4.35	2.0
Siraby, H. C.	Wednesday	0.6	1.8	0.6
Spear & Jackson International	Wednesday	1.0	—	1.75
Starlight Services Group	Friday	0.75	3.638	1.2
Telephone Rentals	Thursday	2.0	3.0	2.0
Travis & Arnold	Wednesday	1.4	4.06	1.68
USM Group	Thursday	1.0	1.2	2.5
Vanbruch Currency Fund	Wednesday	5.7	4.5	4.0
Warrington Thomas & Sons	Tuesday	1.75	4.41	1.75
Whatman Reeve Angel	Thursday	2.2	3.8	2.7
Wimpey, George	Thursday	0.765	1.935	0.85
Wire and Plastic Products	Thursday	0.85	1.05	1.0
Wingate Property Investments	Wednesday	—	—	0.5
INTERIM DIVIDENDS				
Aberdeen Trust	Friday	1.6	3.0	
Anglo Scottish Investment Trust	Thursday	0.9	1.7	
Berry Trust	Friday	—	0.95	
Border and Southern Stockholders	Thursday	1.3	1.65	
Imperial Chemical Industries†	Thursday	10.0	14.0	
Lowland Investment Co	Friday	2.1	3.65	
Samuel Properties	Thursday	1.43	3.77	
Stewart Nairn	Thursday	—	—	
Union Carbide Corp†	Wednesday	—	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Quarterly figures.

BANK RETURN

BANKING DEPARTMENT

	Wednesday April 18 1984	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	
Public Deposits	43,845,852	+ 2,222,918
Bankers Deposits	652,888,099	— 77,138,051
Reserve and other Accounts	1,429,842,269	+ 17,760,627
	2,142,224,930	— 58,146,116
Assets		
Government Securities	475,858,419	+ 3,910,121
Advance & other Accounts	979,375,865	+ 111,251,620
Premises Equipment & other Secs.	683,010,617	— 56,702,852
Notes	4,834,156	— 7,418,608
Coin	145,443	— 5,856
	2,142,224,930	— 58,146,116

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	11,950,000,000	+ 290,000,000
In circulation	11,945,165,844	+ 297,418,608
In Banking Department	4,834,156	— 7,418,608
Assets		
Government Debt	11,015,100	
Other Government Securities	1,973,880,954	+ 108,467,608
Other Securities	9,965,103,946	+ 181,532,392
	11,950,000,000	+ 290,000,000

Alcoa bounces back into the black in first quarter

BY TERRY DODSWORTH IN NEW YORK

ALUMINUM COMPANY of America (Alcoa), the largest U.S. aluminium producer, rebounded to net profits of $97.3m, or $1.20 a share in the first quarter, against a loss of $14.3m, or 19 cents a share, in the same period of last year.

The results were accompanied, however, by a strong warning from Mr Charles Parry, chairman, that higher interest rates and the continuing size of the budget deficit in the U.S. might threaten the recovery.

Ingot prices softened from 76 cents a pound at the end of December to 71½ cents a pound by the end of March, he said, but prices had improved on many of the mill products which constituted an increasing proportion of Alcoa's shipments in the quarter.

While sales went up from $1.15bn to $1.51bn, Alcoa underlined the improvement in the quality of its earnings which contained no inventory profits in the quarter. In the 1983 period, profits generated by the liquidation of stocks under the last-in, first-out (Lifo) system of accounting amounted to $24m.

This year's earnings, however, included $8.7m of non-recurring gains from joint-venture agreements and $5.3m from real estate transactions.

The company shipped 449,000 tonnes of aluminium products in the first quarter against 432,000 tonnes a year ago, but these deliveries contained only 14 per cent of the lower value primary products against 25 per cent in 1983.

● Higher prices for ingots and better margins on the fabricated products brought a sharp improvement in Alcan Aluminium's earnings in the first quarter, writes Robert Gibbens in Montreal.

The North American market remained strong and Europe and Australia continued to recover said the company.

Alcan earned U.S.$83m or 85 cents a share in the March quarter against a loss of $12m a year earlier. Ingot shipments were lower but fabricated products moved up significantly. The higher ingot prices are now being reflected in better fabricated returns, and this should benefit profits later this year, it said.

ITT suffers severe setback

BY PAUL TAYLOR IN NEW YORK

ITT, the U.S.-based diversified multi-national conglomerate, reported sharply lower first quarter earnings which it attributed mainly to insurance undertaking losses at its Hartford insurance company.

The group also cited the adverse impact of the strong dollar as a factor in its unexpectedly poor first quarter performance, which saw earnings almost halved.

Net earnings fell to $79m or 52 cents a share compared to $137m or 92 cents a share, as restated for accounting changes in the same quarter last year. Sales and revenues increased by 5 per cent to $5bn from $4.8bn.

The group, which had been expected to report a continued improvement in first quarter earnings, said a major negative factor in its first quarter performance was "the increasing frequency and severity of insurance claims at Hartford, including sizeable weather-related claims." ITT said a storm which hit the East coast of the U.S. in March alone generated record claims of $15m.

The other main factor was foreign currency translation and in particular the strength of the dollar against the major European currencies. This, coupled with a substantial dollar-guaranteed contract, resulted in an adverse swing of $33.3m or 23 cents a share from the 1983 first quarter. In the latest period foreign exchange effects reduced net income by $16m or 11 cents a share compared to a favourable $17.3m, or 12 cents a share effect in the 1983 first quarter.

Group sales and revenues include $1.6bn from insurance and finance operations compared to $1.5bn in the 1983 quarter. Excluding the foreign currency effects and divested units ITT said sales and revenues were 10 per cent higher.

Mr Rand Araskog, ITT's chairman, president and chief executive, said "despite the downturn in first quarter earnings, we continue to anticipate that our full-year earnings will be significantly better than those reported in 1983." Last year ITT reported earnings of $674.5m or $4.50 a share.

Warner reports operating loss

BY OUR NEW YORK STAFF

WARNER COMMUNICATIONS, the U.S. entertainment group which has recently defeated an attempt by Mr Rupert Murdoch to gain control of the company, reported a $35.7m or 51 cents a share loss from continuing operations in the first quarter compared to a $18.9m or 29 cents a share net loss in the 1983 period.

The group managed, however, to reduce its pre-tax operating loss to $27.7m from $29.1m and posted final net earnings of $30.9m or 44 cents a share in the latest quarter after a $66.6m or 95 cents a share gain on the sale of its cosmetics and fragrance business. Revenues fell by 16.5 per cent to $726m from $869.4m.

Mr Steven Ross, Warner's chairman and chief executive, said: "Each of the company's operating divisions had improved results in the first quarter."

Operating income from the filmed entertainment, recorded music and consumer products divisions rose 32 per cent in aggregate, and Atari's losses decreased. Interest expense and cable losses increased and income from other investments declined for the quarter. This resulted in a slight reduction in pre-tax losses from continuing operations. Due to the absence of domestic tax benefits, the after-tax loss from continuing operations was greater than last year.

Operating income from the film division increased to $40m from $36.8m. Revenues for the recorded music division grew by 7 per cent to $203.2m and operating income increased by 32 per cent to $21.3m. The consumer electronics division had a reduced operating loss of $34.9m, down from $45.6m a year ago despite what Warner described as "substantial reductions in overheads" at its troubled Atari home computer and videogame unit. Warner said that the losses at its Warner/Amex cable television joint venture with American Express increased due to the absence of tax benefits, but noted that Warner/Amex has agreed to sell its Pittsburgh cable system to Tele-Communications for $93.4m.

Tyre sales boost for Goodyear

BY WILLIAM HALL IN NEW YORK

GOODYEAR TIRE and Rubber, the world's biggest tyre producer, more than doubled its first quarter net income to $111.8m, mainly because of a sharp increase in U.S. tyre demand.

Worldwide sales totalled $2.51bn in the quarter, up from $2.26bn a year ago. Earnings per share totalled $1.06 versus 52 cents a year ago. Net income as a percentage of sales was roughly doubled at 4.5 per cent.

Mr Robert E. Mercer, chairman, said U.S. unit tyre sales rose nearly 20 per cent, despite a shortage of radial auto and truck tyres in the opening months of the year. Most factories were operating at close to 100 per cent capacity.

U.S. sales rose 15.1 per cent to $1.72bn, exceeding the previous first quarter record of $1.55bn. Domestic earnings jumped 78.5 per cent to $91.8m, topping the previous first quarter record of $67.2m achieved in 1979.

Overseas sales rose 4.4 per cent to $760.1m and earnings jumped from $200,000 to $20m.

Looking to the rest of 1984, Mr Mercer said that demand for truck and auto tyres in the U.S. should remain strong. The mature markets of Europe would show little growth, Latin American markets should firm up, and Asia and Australia continued to look promising.

"The company is outperforming the economy and the competition," concluded Mr Mercer.

Earnings surge at Texas Instruments

By Our New York Staff

TEXAS INSTRUMENTS (TI), the Dallas-based diversified electronics group, reported a surge in first quarter earnings reflecting higher sales, particularly of semi-conductors, and the positive impact of its decision last October to pull out of the home computer market.

It had net earnings of $79.8m or $3.32 a share in the quarter, compared to $7.1m or 30 cents a year ago. Sales increased by 14 per cent to $1.34bn from $1.17bn.

The 1983 first quarter results were severely depressed by problems with its 99/4A home computer, which is now discontinued. The latest results include a 41 cents-a-share gain from the sale of the home computer inventory, which had previously been written off.

Mr Fred Bucy, president, said the final home computer phase out was completed in the first quarter with TI transferring all remaining inventory to third parties. He said some "less significant" gains for the company may occur when the inventory is finally resold.

Profits from operations as a percentage of net sales was 10 per cent in the first quarter. "The principal changes from the first quarter of 1983 were the increase in semiconductor margins and improvement in consumer operations."

Sales increased in its semiconductors, metallurgical materials, electrical controls, data systems and government electronics businesses but fell in its geophysical and consumer segments. Semiconductor orders reached record highs in the first quarter.

The backlog of unfilled orders at the end of the quarter was $3bn, up from $2.8bn a year ago.

Signal group makes strong start to year

By Our New York Staff

SIGNAL COMPANIES, the California-based high-technology and engineering group, have reported net income of $61m in its first quarter, compared with a net loss of $83m a year ago, when the group was incurring heavy restructuring costs.

The latest earnings, compare with $81m and $54m in the third and fourth quarters of last year respectively. Last year the group sold its interests in Mack Trucks, Golden West Broadcasters and Natomas, and merged with Wheelebrator-Frye, in a move to transform itself into a high technology and engineering company.

Mr Forest Shumway, chairman, says that the latest earnings are significant since they are the base on which earnings are expected to improve in the remaining quarters of the year.

Earnings per share totalled 53 cents in the first quarter compared with 47 cents in the final quarter of last year. Revenues rose 15 per cent to $1.5bn compared with a year ago. Cash balances total $1.1bn and long term debt as a percentage of total capital is 13 per cent.

Zanussi chief quits as workers protest at Electrolux talks

BY JAMES BUXTON IN ROME

SIG UMBERTO CUTTICA, chairman of Zanussi, the Italian domestic appliance manufacturer, has resigned after only nine months—heightening speculation that a deal may be close between the majority shareholders of Zanussi and Electrolux, the Swedish industrial group.

Although Sig Cuttica believes that Zanussi's future lies in co-operating with other European domestic appliance manufacturers, he pointedly did not comment on the present talks between the Zanussi family—which owns 90 per cent of the company—and Electrolux over a possible sale of their holding to the Swedish group.

As workers yesterday staged protests in Pordenone, the town in north-east Italy where Zanussi is based, the company confirmed that talks were in progress with Electrolux on the "recapitalisation" of Zanussi, but said that negotiations were also going on with Italian and other foreign companies. No definitive conclusion had yet been reached.

Sig Cuttica became chairman of Zanussi last summer after the 1982 losses of L130bn ($79.4m) forced the resignation of his predecessor Sig Lamberto Mazza. The losses were due to the group's disastrous expansion into consumer electronics and other sectors, and its heavy indebtedness due to low capitalisation. Its share capital is only L30bn, against 1982 sales of L1,550bn. Debt is in excess of L600bn.

Sig Cuttica was implementing a three-part recovery plan of cost-cutting, the sale of peripheral companies and recapitalisation. The first two objectives have largely been realised.

However, Consortium, a group of leading private sector Italian companies including Fiat which helped secure Sig Cuttica's appointment, has lately shown itself less and less interested in putting up some of the estimated L300bn to L400bn needed to recapitalise the company. This reluctance is thought to lie behind Sig Cuttica's resignation. He was formerly a senior executive of Fiat.

Though the resignation was originally said to be for "personal reasons," Sig Cuttica also spoke in a letter to the board of being prevented from fulfilling his mandate as chairman by reasons beyond his control. "I do not hide the bitterness which these reasons have caused," he said, but did not elaborate.

Nationale Nederlanden posts 13% rise in net

BY WALTER ELLIS IN AMSTERDAM

NATONALE NEDERLANDEN (NatNed), the largest Dutch insurance group, boosted net profits by 13 per cent last year to Fl 475m ($159m). Results for the year do not include figures for Amfas, an ailing former rival, which NatNed has recently taken over.

Income from life insurance rose last year by 16 per cent, to Fl 4.8bn, while the non-life sector moved ahead by 17 per cent, to stand at Fl 3.8bn. Investment and other activities brought in Fl 3.4bn, an increase of just over a fifth.

The Dutch domestic market continued to perform well, but the international contribution to the total revenues of Fl 13bn went up from 58 per cent to nearly 61 per cent.

NatNed, especially now that it has absorbed Amfas, is rapidly becoming one of Europe's largest and most flourishing insurance companies. Net assets, made up of capital plus surplus, increased last year by 31 per cent, to Fl 4.7bn, while total assets rose by 16.6bn, to Fl 57bn.

NatNed has proposed a 10 per cent increase in its annual dividend, from the 1982 figure of Fl 8.15 (adjusted) to Fl 9 per Fl 10 nominal share.

● First consolidated results for Aegon, the Dutch insurance group which came into being last November following the merger of Ennia and AGO, show a 19 per cent increase in gross receipts, to Fl 8.5bn. Just under Fl 4bn of the total came from outside the Netherlands.

Aegon is now the third-largest Dutch insurance group, behind NatNed and Amev, but still faces problems in the vital non-life area.

Net profit, based on new accounting principles, rose by 29 per cent, to Fl 228m.

Record sales for ABC

BY OUR NEW YORK STAFF

AMERICAN BROADCASTING (ABC), the U.S. television network and publishing group, said its first quarter net income increased by 72 per cent on revenues which increased by 26 per cent to record levels.

Net earnings were $23.86m or 81 cents a share compared to $13.9m or 48 cents a share. Revenues increased to $836.7m from $663.1m.

The sharp gains reflect record sales and profits in the broadcasting and publishing businesses coupled with a smaller loss in the video enterprises unit.

The broadcasting division reported a 39 per cent increase in pre-tax profits to $56.6m from $40.6m while revenues grew from $588.2m to $746.9m, reflecting ABC's coverage of the winter Olympics.

Publishing pre-tax profits increased by 31 per cent to $7m on revenues which grew from $60.7m to $76.2m. Losses in the video enterprises group declined to $9.5m before taxes from $11.6m, partly reflecting the sale of the loss-making satellite news channel to Turner Broadcasting late last year.

ECONOMIC DIARY

TODAY: National Union of Teachers' annual conference in Blackpool (until April 26).

TOMORROW: Department for National Savings gives monthly progress report for March. Sir Geoffrey Howe, Foreign Secretary, visits Seoul. President Reagan leaves for China.

MONDAY: Sir Geoffrey Howe begins two-day visit to Tokyo.

TUESDAY: EEC Economic and Social Committee in plenary session in Brussels (until April 26). CBI/FT survey of distributive trades (end-March).

WEDNESDAY: Parliament resumes.

THURSDAY: Bricks and cement production (first quarter). Energy trends (February). Overseas travel and tourism January/February). Unemployment and unfilled vacancies (March-final). Stoppages of work due to industrial disputes (March provisional). Employment and earnings by industry in February (provisional). President Reagan visits China. Commons Trade and Industry Committee report on British Steel Corporation.

FRIDAY: Unemployment and unfilled vacancies (April—provisional). Sales and orders in the engineering industries (January). Britoil annual meeting. British-Chinese talks resume in Peking on the future of Hong Kong. Opec market monitoring committee meets.

BASE LENDING RATES

A.B.N. Bank	8½%	Heritable & Gen. Trust	8½%
Allied Irish Bank	8½%	■ Hill Samuel §	8½%
Amro Bank	8½%	C. Hoare & Co. †	8½%
Henry Ansbacher	8½%	Hongkong & Shanghai	8½%
Armco Trust Ltd.	8½%	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	8½%	Lloyds Bank	8½%
Bank Hapoalim BM	8½%	Mallinhall Limited	9½%
BCCI	8½%	Edward Manson & Co.	9½%
Bank of Ireland	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Barclays Bank	8½%	National Westminster	8½%
Beneficial Trust Ltd.	9½%	Norwich Gen. Tst.	8½%
Bremar Holdings Ltd.	8½%	People's Tst. & Sv. Ltd.	9½%
Brit. Bank of Mid. East	8½%	R. Raphael & Sons	8½%
■ Brown Shipley	9 %	P. S. Refson & Co.	8½%
CL Bank Nederland	8½%	Roxburghe Guarantee	9½%
Canada Perm't Trust	8½%	Royal Trust Co. Canada	8½%
Castle Court Trust Ltd.	9 %	■ J Henry Schroder Wagg	8½%
Cayzer Ltd.	8½%	Standard Chartered ‖	8½%
Cedar Holdings	9 %	Trade Dev. Bank	8½%
■ Charterhouse Japhet	8½%	TCB	8½%
Choulartons	10½%	Trustee Savings Bank	8½%
Citibank Savings ¶	9½%	United Bank of Kuwait	8½%
Clydesdale Bank	8½%	United Mizrahi Bank	8½%
C. E. Coates	9½%	Volkskas Limited	8½%
Comm. Bk. of N. East	8½%	Westpac Banking Corp	8½%
Consolidated Credits	8½%	Whiteaway Laidlaw	9 %
Co-operative Bank *	8½%	Williams & Glyn's	8½%
The Cyprus Popular Bk.	8½%	Wintrust Secs. Ltd.	9 %
Dunbar & Co. Ltd.	8½%	Yorkshire Bank	8½%
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		
■ Hambros Bank	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¾%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

BIDS AND DEALS

Marchwiel takes 15.6% interest in Whatlings

By Charles Batchelor

Marchwiel, the Sir Alfred McAlpine building and civil engineering holding company, has taken over the 15.62 per cent stake in the Glasgow-based builder and engineer Whatlings previously held by Epicure Holdings.

Mr Bobbie McAlpine, vice-chairman of Marchwiel, said the 525,000 shares had been bought on Wednesday for roughly the market price which rose 5p to 79p on that day. Marchwiel previously owned no shares in Whatlings. On Thursday Whatlings shares rose 4p to 83p.

He added: "We were offered the shareholding by Epicure out of the blue and we decided to take it. We were told it might be offered to one of our competitors. We have not thought as far as the possibility of making a bid by any means."

Mr Roderick Lawson, company secretary of Whatlings, said: "Epicure were not enamoured of the fact that we announced a rights issue recently. You never know if it is to be used as the basis for a bid."

Mr Cameron Lindsay, Whatlings' chairman and managing director, has strong connections with the McAlpine family though the company has not done business with them, Mr Lawson added.

Whatlings announced plans for a two-for-seven rights issue on April 3. It made pre-tax profits of £707,000 on turnover of £25m in the year ended September 30 1983.

Exco unveils Carr details

Exco International, the money broker and financial services group, has sent details to its shareholders of its deal to acquire the minority interest in W. I. Carr, Sons and Co (Overseas) Holdings, the group's Hong Kong-based stockbroking operations.

Under the terms of the deal, which was first indicated last month, Exco has agreed to acquire 21.8 per cent of the share capital of Carr for an initial consideration of HK$61.1m (£5.51m) and the issue of "A" loan notes redeemable in 1985 and 1986.

The redemption value of the "A" loan notes is based on the proportionate part of a multiple of ten times the average of the profits after taxation of the Carr group for the two years ending December 31 1985 after deduction of the initial consideration. However, this value cannot exceed HK$24.5m.

A further 6.5 per cent of the share capital of Carr is being acquired for an initial consideration of HK$16.2m and the issue of "B" loan notes redeemable over the period 1985 to 1988. The redemption value of the "B" loan notes is based on the proportionate part of a multiple of 11 times the average of the profits after taxation of the Carr group for the four years ending December 1987 after the deduction of the initial consideration. However, this value cannot exceed HK$13.3m.

Exco tells shareholders that since it acquired its stake in W. I. Carr, Sons and Co (Overseas) Holdings (WICO Holdings) that company has performed very satisfactorily with profit before taxation rising from HK$12.7m for the eight months ended December 31 1982 to HK$38.9m for the year ended December 31 1983. Commissions earned by WICO from dealings on stock exchanges has risen from HK$54.4m in the year to March 31 1982 (the last accounting period prior to its acquisition by Exco) to HK$89.3m in the year ended December 31 1983.

"Stock markets in which the WICO group operates have opened the year in buoyant mood, producing record levels of business for the WICO group," shareholders are told.

Exco adds that the success of its diversification into international stockbroking has encouraged the group to seek to expand the range of activities of WICO, which intends to start market making in the near future initially in Japanese convertible bonds.

"This development, involving a change from acting as agent to trading as principal is likely to give rise to the need for a substantial increase in the WICO group's capital resources."

Exco believes that the process of "internationalisation" of financial markets is by no means complete "and indeed that the pace of change is increasing." It has made the latest move to increase its stake in WICO from the present level of 70.7 per cent to maintain the maximum flexibility.

Once the deal is approved by shareholders at an extraordinary general meeting on May 3 Exco will own 98.8 per cent of WICO with the outstanding 1.2 per cent being owned by nine individuals whose stake will be subject to the put and call options detailed.

● Subscriptions have been received for approximately 97.5 per cent of the 15.6m Exco International new ordinary shares of 10p each issued under the rights issue at 450p.

* * *

The offer by Petrocon Group to acquire the outstanding shares in Drilling Tools Holdings has been accepted in respect of 86,223 shares. These, together with the shares already owned, gives Petrocon 68.87 per cent of the company.

Woolworth lifts stake in Comet up to 47%

By Charles Batchelor

Woolworth, the High Street retailing group, has bought a 14.96 per cent stake in Comet, the Hull-based electrical discount warehouse chain, to take its effective holding to 46.94 per cent.

Woolworth launched a £177m agreed bid for Comet on April 11, topping an earlier offer from Harris Queensway, the carpet and furniture chain, by £23m.

The company bought 12.1m Comet shares on Thursday at 229.25p per share for a total of £27.74m. It already has irrevocable acceptances from Mr Michael Hollingbery, his family trusts and the rest of the Comet board, owning 75.86m shares or 31.98 per cent of the equity.

Woolworth intends to offer two of its own shares and £15 cash for every 11 Comet shares with a loan alternative to the cash element.

Higher profits seen by PH Industrials

PH Industrials (PHI), the joinery and shopfitting group at which Taddale Investments is bidding for full control, forecast a rise in pre-tax profits of not less than £370,000 in the year ended April 30 1984, against £306,748 in the previous year.

Unaudited pre-tax profits rose to £126,460 in the six months ended October 31 1983 (£98,481) so trading for the second half has been most encouraging, PHI said in the Taddale offer document.

Taddale is offering 112p cash per share for the 60 per cent of the ordinary shares it does not already own and 100p for each of the 3.5 per cent preference shares outstanding.

McCorquodale printing expansion

McCorquodale, a specialist printing and packaging group, has made an agreed bid worth up to £3.75m for Avon Valley Investments, a privately-owned printing group.

Avon had a net asset value of £3.96m at December 31 1983 and made a net profit of £132,000 that year, after deducting all charges except tax and excluding extraordinary items. McCorquodale has received undertakings to accept the bid from the holders of 75.83 per cent of the ordinary shares and 100 per cent of the preference shares.

It will make an initial cash payment of £3m and a further payment of up to £750,000.

MINING NEWS

Denison lower in opening quarter

LOWER first quarter earnings of C$19.13m (£10.54m), or 38 cents per share, are reported by Canada's Denison Mines. They following earnings of C$30.8m in the final quarter of last year when the total amounted to C$101.5m and compare with a restated C$22.28m in the first quarter of 1983.

Denison says that the fall in first-quarter earnings is mainly a result of reduced revenue from the Casablanca oil field.

As indicated by Mr Stephen B. Roman, the chairman, at the Toronto meeting in February start-up production levels are behind schedule at the big Quintette coal project in British Columbia. However, the short-fall is expected to be made up by year-end while other problems with equipment are being corrected.

Vestgron payout decision

CANADA'S Vestgron Mines says that, as required by Danish law, the wholly-owned Greenex subsidiary has given in its 1983 accounts a preliminary recommendation of dividends to be paid this year. The figure is DKr 150m which at current exchange rates and after withholding taxes amounts to about C$16m, or some C$3.50 per Vestgron share.

It is added that at the Greenex annual meeting on June 30 the amount of the dividend will be determined, based upon economic conditions and the financial position of Greenex at that time.

"Towards the end of July Vestgron will consider the needs of itself and Greenex for the balance of the year and possible declaration of Vestgron dividends.

Meanwhile, Vestgron reports a 1983 first quarter loss of C$483,000 (£265,500), or 11 cents per share, compared with a loss of C$1.7m in the first quarter of last year. The company is controlled by Cominco.

COMPANY NEWS IN BRIEF

Sales at Toye and Co, engaged in the manufacture and sale of jewellery and civil and military regalia, are running at about 10 per cent higher than in 1983, the directors report.

And they say that there appears to be an upturn in enquiries received leading to order books becoming more satisfactorily extended.

They report that taxable profits in 1983, after depreciation, doubled from £130,090 to £262,000 on lower sales of £6.15m, against £6.2m, and anticipate further progress in the current year.

The dividend is lifted from 1.75p to 2.25p net per 25p share with earnings sharply higher at 8.99p (4.96p). Tax took £60,000 (£18,000).

Good progress, the directors say, was made during the year under the new trading structure with each area contributing satisfactory profits to the overall results. Stocks have been reduced and there is a marked improvement in liquidity, they add.

* * *

Net asset value per 25p ordinary of Scottish Mortgage and Trust rose by 83.1p to 414.4p over the 12 months to end-March 1984, or by 52.3p over the last six months.

A movement of funds during the year, which largely took place in the first half, from the U.S. to Japan and the UK proved beneficial as these markets were better performers.

With markets at historically high levels, cash balances have built up to a moderate extent but the directors intend to remain fairly fully committed to equities as there is no widespread signs of economies and markets being overstretched.

Gross investment income for the year was £3.48m higher at £15.75m, including other income of £72,000 (£6,000). Pre-tax revenue came out at £7.66m (£6.15m) and was subject to tax of £2.81m (£2.2m). The final dividend is 3.5p (3.3p) making a total of 6.4p (5.8p). Earnings were 6.62p (5.39p) per share.

* * *

Nesco Investments made a nominal £2,000 pre-tax for the half year ended September 30 1983, compared with a loss of £66,300 for the opening half of the previous year.

The company's motor trade interests disappointed and incurred losses of £190,000—further losses have been made since. The Nigerian subsidiary continued to trade profitably and is in a strong position to benefit from any improvement in the Nigerian economy.

However, remittances of funds from Nigeria are at present subject to delays and payment of a second interim dividend will depend on the receipt of the dividend from the Nigerian subsidiary for the year to February 28 1983—a first interim of 3.5p net was paid in November last year.

First half turnover declined from £4.95m to £4.15m. The Nigerian company contributed profits of £215,000 (£220,000).

* * *

Maintained profits and dividend are announced by the General Scottish Trust. At March 31 1984 its net asset value had risen to 146.6p, after deducting prior charges at market value; a year earlier it was 124.8p and by September 30 1983 had reached 137p.

The final dividend for the year ended March 31 1984 is 2.1p, for an unchanged net total of 3.1p; for a 1-for-1 scrip issue is proposed. Gross income came to £1.15m (£1.1m). After tax £329,000 (£348,000) the available profit was £567,000 (£537,000) for earnings of 2.89p (2.73p) per share.

The company's name is to be changed to The Smaller Companies International Trust.

هكذا صنع التقدم

APPOINTMENTS

Booker McConnell retail board

BOOKER McCONNELL has appointed a new retail board: Mr Ray Bray, managing director, Mr Ken Bootyman, operations director, Mr Richard Mande-Rexby, marketing director, Mr Bill Grimsey, fresh goods director, Mr Mark Thomas, property and development director, Mr Keith Wood, financial director and Mr Keith Coxon, project director.

★

Mr Robert Wood, managing director of the motor division of GODFREY DAVIS (HOLDINGS), has been appointed to the main board.

★

McCORQUODALE COLOUR (HOLDINGS) has been established as the holding company for the operating subsidiary companies in McCorquodale's colour display division. McCorquodale Electronic Systems, a subsidiary of McCorquodale Colour (Holdings), has also been established to market initially signature verification equipment, mainly to the financial services market. The directors are: Mr David F. K. Christian, chairman; Mr Alan A. Clark, executive directors, Mr Paul Boyd, Mr Chris R. Medler, and Mr David Stonely. Mr Rob A. Harris has also been appointed secretary.

★

Mr J. R. Wake will be joining the partnership of SIMON AND COATES, stockbrokers, on April 30.

★

SMITH BROS, stockjobbers, has appointed Mr G. R. Lewis as a director from April 30.

★

Mr Gordon Riddle has been appointed financial director of TECHNICAL TRANSLATION INTERNATIONAL.

★

ROYDS ADVERTISING GROUP has appointed Mr Tony Sliman as group company secretary.

★

Mr Jack Stone has been appointed a director and elected chairman of DANKS GOWERTON.

★

Mr Peter M. Barnett, who is responsible for syndicated loans business development, has been promoted to assistant manager of the DAIWA BANK, London branch.

★

BENTALLS has appointed Mr Ryan to the board. Mr Ryan joined from Ellerman Lines last November. He will be succeeding Mr Wood as finance director on his retirement after the annual meeting on June 12.

★

Mr Roger Boissier, chairman of Boissier Associates, has joined the board of BROADGATE HOLDINGS. He is a director of the British Gas Corporation and Pressac Holdings.

★

Mr Tony Holland has been appointed a non-executive director of THE SOLICITORS' LAW STATIONERY SOCIETY. His appointment follows the decision of Sir Max Williams, SLSS non-executive director, to resign at the next annual meeting. Sir Max is to become senior partner at City solicitors, Clifford Turner and Co.

★

TELEFUSION has made Mr Stuart J. Hickey its deputy managing director. He has responsibility for all the divisions of the Telefusion Group.

★

E. F. HUTTON has appointed Mr Alan B. Duncan as senior vice-president — money market instruments and Mr Roy Copperwaite as vice-president—floating rate notes in London. Mr Robert Linton has been appointed first vice-president — money market instruments in New York. They were previously with Credit Suisse First Boston in London and New York.

★

CHESEBROUGH-POND'S has made the following appointments: Mr Paul J. Crotty is to become director — sales and marketing for the cosmetics and fragrances division, a post previously held by Mr Philip Anstey who has returned to New Zealand. Mr Crotty joins Chesebrough-Pond's from Spillers where he was marketing manager, human food and director of Spillers' own label pet foods. Mr John R. Stratford is to become director of business development, a new position. Mr Stratford joins from LRC Products where he was director and commercial general manager for the gloves division. Both appointments are effective from May 1.

★

Mr Vernon Murphy has been appointed deputy director of GATWICK AND STANSTED AIRPORTS. He was general manager at Aberdeen.

★

On April 28 the following will be joining the partnership of WEDD DURLACHER MORDAUNT AND CO, stockjobbers: Mr A. D. Clayton, Mr J. D. David-Jones, Mr V. N. J. Dempsey, Mr C. E. Gale, Mr M. F. Gouldson, Mr P. H. C. Holloway, Mr M. N. Lupton, Mr C. D. Noden, Mr G. D. R. Oldham, Mr P. V. Pughe, Mr D. R. Walford and Mr A. L. White.

★

SAMUEL MONTAGU AND CO has appointed Mr Gervase Boote an executive director from May 1. Mr Boote is an assistant director seconded to the Hong Kong branch.

★

Two directors have joined the board of A. MONK AND CO. They are: Mr J. T. K. (Tim) Redman and Mr W. A. (Tony) Lucas, both previously area managers operating from Yorkshire and the Midlands respectively.

★

COSALT has appointed Mr John French to the board. He is chairman of the F. John French Agency, a London-based advertising agency.

★

Mr Alistair Sutherland has been appointed a director of E. T. SUTHERLAND AND SON. He will have responsibilities for marketing.

★

Mr K. Small has been appointed managing director of CORRALL - MONTENAY. Mr Small, previously general manager, has been a director since June 1976. He takes over from Mr B. G. W. Spencer who resigned as managing director to take up residence abroad in furtherance of personal interests. Mr Spencer will be retained as consultant.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 18 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economic Dept., E.M.E.A. London
Eurodollar Libor as of April 18 at 11.00 am.
3 months: 11 6 months: 11¼

ECU=$U.S.844871 SDR1=$U.S.1.05781
Sibor as of April 18 at 11.00 am
3 months: 10 15/16 6 months: 11¼

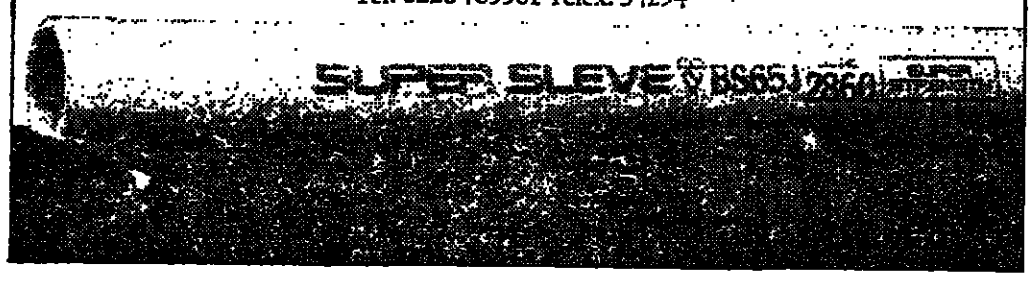
COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	7.1027
Algeria	Dinar	4.8845
Andorra	Fr. Franc	8.13
	Sp. Peseta	149.45
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f)	33.092
Australia	Dollar	1.0827
Austria	Schilling	18.60
Azores	Port. Escudo	134.25
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	149.45
Bangladesh	Taka	25.75
Barbados	Dollar	2.0113
Belgium	Franc (C)	53.957
	Franc (F)	55.225
Belize	Dollar	2.00
Benin	C.F.A. Franc	406.50
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	10.80
Bolivia	Peso (6)	2000.00
Botswana	Pula	1.1567
Brazil	Cruzeiro	1391.50
Brunei	Dollar	2.0835
Bulgaria	Lev	0.993
Burma	Kyat	7.6937
Burundi	Franc	115.993
Cameroun Rp	C.F.A. Franc	406.50
Canada	Dollar	1.2793
Canary Is	Sp. Peseta	149.45
Cape Verde Is	Escudo	80.00
Cayman Is	Dollar	0.835
Cent. African Rep	C.F.A. Franc	406.50
Chad	C.F.A. Franc	406.50
Chile	Peso (O)	88.51
China	Renminbi Yuan	2.0794
Colombia	Peso (O)	95.43
Comoros	C.F.A. Franc	406.50
Congo Pple Rep. of	C.F.A. Franc	406.50
Costa Rica	Colon	43.40
Cuba	Peso	0.8682
Cyprus	Pound*	1.6147
Czechoslovakia	Koruna (O)	6.40
Denmark	Krone	9.715
Djibouti Rp. of	Franc	171.50
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
	Peso	3.00
Ecuador	Sucre (O)	60.05
	Sucre(a)	86.50
	Sucre(b)	88.25
Egypt	Pound*(O)	1.4286
	Pound*	1.221
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	298.90
Ethiopia	Birr(O)	2.0835
Faeroe Is'd	Dan. Krone	9.715
Falkland Is'd	Pound*	1.422
Fiji	Dollar	1.0393
Finland	Markka (4)	5.645
France	Franc	8.13
Fr. C'ty in Af	C.F.A. Franc	406.50
Fr. Guiana	Franc	8.13
Fr. Pac. Is'd	C.F.P. Franc	147.818
Gabon	C.F.A. Franc	406.50
Gambia	Dalasi	3.5162
Germany (E)	Ostmark (O)	2.6428
Germany (W)	Mark	2.6428
Ghana	Cedi	35.00
Gibraltar	Pound*	1.422
Greece	Drachma	104.59
Greenland	Dan. Krone	9.715

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	8.13
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	79.4602
Guinea Rep.	Syli	23.3362
Guyana	Dollar	3.75
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	7.8055
Hungary	Forint	45.54
Iceland	Krona	29.08
India	Rupee	10.80
Indonesia	Rupiah	1003.00
Iran	Rial (O)	87.2455
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.1583
Israel	Shekel	169.63
Italy	Lira	1632.25
Ivory Coast	C.F.A. France	406.50
Jamaica	Dollar (o)	3.17
Japan	Yen	224.02
Jordan	Dinar	.0.3666
Kampuchea	Riel	n.a.
Kenya	Shilling	13.6293
Kiribati	Aust. Dollar	1.0827
Korea (Nth)	Won	0.94
Korea (Sth)	Won	794.00
Kuwait	Dinar	0.2945
Lao P'ple D. Rep.	Kip	35.00
Lebanon	Pound	5.77
Lesotho	Loti	1.2463
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n.	Sw. Franc	2.1885
Luxembourg	Lux. Franc	53.937
Macao	Pataca	8.1138
Madagascar D. R.	Franc (2)	558.694
Madeira	Port. Escudo	134.25
Malawi	Kwacha	1.3287
Malaysia	Ringgit	2.2874
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp	Franc	813.00
Malta	Pound*	2.2857
Martinique	Franc	8.13
Mauritania	Ouguiya	57.07
Mauritius	Rupee	12.0406
Mexico	Peso (Free)	179.00
	Peso (cont'd)	158.97
Miquelon	Fr. Franc	8.13
Monaco	Fr. Franc	8.13
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	8.05
Mozambique	Metica (5)	41.428
Namibia	S.A. Rand	1.2463
Nauru Is	Aust. Dollar	1.0827
Nepal	Rupee	16.75
Netherlands	Guilder	2.982
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	1.5148
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	406.50
Nigeria	Naira	0.7207
Norway	Krone	7.686
Oman, Sultanate of	Rial	0.3455
Pakistan	Rupee	13.547
Panama	Balboa	1.00
Papua N.G.	Kina	0.8697
Paraguay	Graunia (o)	160.00

COUNTRY	CURRENCY	VALUE OF DOLLAR
Peru	Sol	2806.17
Philippines	Peso	14.135
Pitcairn Is	N.Z. Dollar	1.5148
Poland	Zloty (O) (1)	109.38
Portugal	Escudo	134.25
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la.	Fr. Franc	8.13
Romania	Leu (O)	4.47
Rwanda	Franc	97.0966
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.422
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	8.13
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala*	1.60
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1632.25
Sao Tome & Principe DR	Dobra	42.7769
Saudi Arabia	Riyal	3.52
Senegal	C.F.A. Franc	406.50
Seychelles	Rupee	6.8391
Sierra Leone	Leone	2.51
Singapore	Dollar	2.0835
Solomon Is.	Dollar	1.2308
Somali Rep	Shilling	15.5982
South Africa	Rand	1.2463
Spain	Peseta	149.45
Span. Ports in N. Africa	Sp. Peseta	149.45
Sri Lanka	Rupee	25.12
Sudan Rep	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.2463
Sweden	Krone	7.836
Switzerland	Franc	2.1885
Syria	Pound	3.925
Taiwan	Dollar (O)	39.70
Tanzania	Shilling	12.30
Thailand	Baht	22.985
Togo Rep	C.F.A. Franc	406.50
Tonga Is	Pa'anga	1.0827
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.7158
Turkey	Lira	389.70
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.0827
Uganda	Shilling (1st)	289.70
	Shilling (2nd)	307.50
United Arab Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling‡	1.422
Upper Volta	C.F.A. Franc	406.50
Uruguay	Peso	51.38
USSR	Rouble	0.7805
Vanuatu	Vatu	100.396
Vatican	Lira	1632.25
Venezuela	Bolivar (g)	7.50
	Bolivar (g)	4.30
	Bolivar (h)	14.11
	Bolivar (i)	14.16
Vietnam	Dong (O)	9.8116
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	6.00
Yemen PDR.	Dinar	0.3425
Yugoslavia	Dinar	129.381
Zaire Rep	Zaire	29.1398
Zambia	Kwacha	1.6103
Zimbabwe	Dollar	1.1293

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Freemarket central bank. (o) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential Rates (h) Non essential imports. (i) Floating tourist rate. (1) Poland: Devalued 1st March by approx. 11.9%. (2) Madagascar: Official devaluation against French franc. 21st March. (3) Floating Rate. (4) Finland: Markka revalued by 1%, March 27th. (5) Ghana: Official Cedi devaluation by approx. 14% March 28th. (6) Bolivia: Official 75% devaluation announced April 12th.

For further information please contact your local branch of the Bank of America.



WORLD STOCK MARKETS

NEW YORK

TOKYO

Nikkei Dow regains 20.84

SHARE PRICES closed higher in moderate trading yesterday (Good Friday), although many of the investors were reluctant to trade prior to a three-day weekend for Wall Street.

The Nikkei Dow Jones Index regained 20.84 to 10,803.83, after falling 149.81 on Thursday—its largest one-day loss of the year—on liquidation prompted by the fall on Wall Street and concern about the high level of margin buying positions.

The movement of the New York Market and Foreign investors activity has become important to the Tokyo Stock Market, brokers noted.

In Friday's trading, though, overseas investors continued to be net sellers. They sold about 10 million shares during the morning hours, while they purchased only about 8.5 million, a dealer said.

On Thursday foreign selling of International "Populars" depressed sentiment, while Domestic investors stopped buying after deciding the market would remain unstable for some time.

MILAN

Marginally higher Good Friday after another dull session in thin trading.

Brokers noted that the market lacked ideas and incentives. The market will also be closed Wednesday for a National Holiday.

Speculative and technical trading focused on companies which recently reported good 1983 results, such as Olivetti, Rinascente, Farmitalia-Carlo Erba and RAS.

Prices posted additional small gains in unofficial after Bourse trading.

WALL STREET

News that economic growth was very strong in the first quarter kept pressure on Wall Street most of Thursday, but final hour buying gave a late boost to certain Blue Chips and helped the market finish mixed.

The Dow Jones Industrial Average finished 1.57 up at 1,158.08, making a net rise of 7.95 on the holiday-shortened week, while the NYSE All Common Index, at $90.89, rose 6 cents on the day and 38 cents on the week. Declines led gains, however, by 810 to 678 in a volume of 75.68m (85.04m) shares.

Before the market opened the U.S. Commerce Department reported that the Real Gross National Product for the first quarter climbed a much larger-than-expected 8.3 per cent.

Investors over the past few weeks had been hoping that the nation's economic growth was slowing.

If it slowed, they reasoned, there would be less demand for credit and interest rates would fall. Also a slowing of the economy would create less of a chance that inflation would again rise to previous double-digit levels.

But traders also said the market was keenly concerned about the latest Money Supply figures to be released by the Federal Reserve Board after the close. Economists had projected a rise of $2.8bn in the Basic Money Supply.

Carter Hawley again led the active list, rising $1½ to $26 on 3.8m shares, nearly triple the volume of ATT, unchanged at $15¾, the second most active stock.

Carter Hawley has been fighting a takeover attempt and has been repurchasing its own stock.

ATT proposed new interstate long distance telephone rates.

Gulf rose $1 to $79 in active trading. The FTC Wednesday requested additional information of its merger with Standard Oil Co of California.

After the close the Fed reported that the latest Money Supply figure rose $3bn in the latest week.

Amerace advanced $3½ to $46 on "sharply" higher first quarter profits and said it was considering a leveraged buyout.

Milton Bradley rose $2½ to $34 on "strong" first quarter results. But Holiday Inns, which also had higher first quarter profits, fell $2½ to $38¼.

The American SE Market Value Index was down 0.15 to 207.83, reducing its rise on the week to 1.36. Volume 5.638m (5.119m) shares.

CANADA

Prices drifted lower again as concern about the strength of the U.S. economy continued to depress the market.

The Toronto Composite Index moved in a narrow range throughout the session and ended with a four point loss at 2,327.0, with 1.9 in Golds, and Metals and Minerals shed 11.3 to 2,175.7, Golds 26.1 to 4,338.3 and Oil and Gas 4.7 to 2,489.1.

HONG KONG

Share prices closed with significant gains supported mainly by scant gains supported mainly by sporadic speculative buying. But trading generally was thin and quiet ahead of the Easter holidays.

The Hang Seng Index ended 25.58 up at 1,115.85, the first time it has closed above 1,100 since late March.

Brokers said investors were anticipating that visiting British Foreign Secretary, Geoffrey Howe, may give further hints about Hong Kong's future at a Press conference scheduled for Good Friday.

Among the leaders Cheung Kong rose 15 cents to HK$9.95, HK Land 5 cents to HK$3.225, Jardine Matheson 20 cents to HK$11.80 and Swire Pacific "A" 50 cents to HK$19.20.

Regal Hotels firmed to 41 cents—it has obtained help from the Hongkong Bank to restructure its debts.

AUSTRALIA

Markets ended on a quiet note Thursday, with falls in Oils following Wednesday's release of a draft revision of Oil Taxes by the Australian Government.

Santos fell 12 cents to $A6.90 and Claremont 7 cents to $A1.30 after analysts pinpointed the Jackson onshore field as being one of the areas most affected by the tax plans.

Dealers said partners in the Eclipse One well, which gave no promise of commercial viability in a field report Thursday, tended downwards. Ampol Exploration fell 25 cents to $A4.25, Weeks Australia 5 cents to $A1.70 and Home Energy 8 cents to $A1.07. But BHP, whose unit BHP Petroleum is the well operator, rose 5 cents to $A11.55.

Metals were mixed, as were Uraniums, while Coals firmed.

Woodside Petroleum put on 2 cents to $A1.19 on reports that Mitsui and Mitsubishi are planning to participate in the North-west Shelf project as capital partners.

GERMANY

Mixed as many stocks stalled after a week start Thursday. But firms liable to be affected most by any industrial action remained under pressure.

Dealers said turnover was minimal ahead of the long Easter holiday weekend. Sentiment remains dampened by the threat of strike action by the Union IG Metall in support of the 35-hour week. The lower overnight close on Wall Street also discouraged activity.

Operators were holding off until Tuesday, after publication of U.S. first quarter GNP figures and latest Money Supply numbers.

In Engineerings, MAN dropped DM 5 to DM 156.

Among Metals, Metallgesellschaft rose DM 3 to DM 245. Its unit Kolbenschmidt AG, on its second day of trading, gained DM 2 to DM 172, compared with its DM 180 issue price per DM 50 nominal share.

Porsche, due to be listed on May 2, was quoted lower at DM 1,120 after DM 1,150 earlier, but still way above its DM 780 issue price.

PARIS

Share prices edged higher in moderately active trading on Thursday in a session dominated by technical dealings. Advances outscored declines by 119-to-35 in the French section.

Thursday marked the beginning of a new monthly account, featuring the traditional buying as investors established new positions in the market.

SWITZERLAND

Domestic shares barely changed in thin and uneventful trading Thursday, ahead of the Easter holiday.

In steady Engineerings, Sulzer firmed after reporting a sharply higher group order inflow in the first three months of 1984.

Nestle Bearer shares improved Frs 30 at Frs 5,160.

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 13	1984 High	1984 Low	Since Compiltn. High	Since Compiltn. Low
◆ Industr'ls	1158.08	1156.51	1164.57	1160.28	1150.13	1286.64 (6/1)	1150.55 (5/4)	1287.7 (23/11/83)	41.22 (2/7/32)
H'me Bnds	67.19	67.44	67.40	67.81	68.00	71.75 (6/2)	67.19 (19/4)	—	—
Transport..	500.82	499.69	502.98	501.95	497.53	612.66 (9/1)	484.16 (6/4)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities...	126.65	126.93	126.64	125.00	125.34	154.85 (6/1)	123.76 (26/2)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	75,680	85,040	96 150	73,870	99,620	—	—	—	—

● Day's high 1162.79 (1167.71) low 1145.41 (1151.07)

	Apr. 13	Apr. 6	Mar. 30	Year ago (approx)
Industrial div. yield %	4.80	4.88	4.74	4.69

STANDARD AND POORS

	April 19	Apr. 18	Apr. 17	Apr. 16	Apr. 13	1984 High	1984 Low	Since Comilt'n High	Since Comilt'n Low
Industr'ls ..	178.06	178.88	180.12	179.50	178.23	190.64 (6/1)	174.10 (22/2)	194.34 (10/10/83)	3.62 (30/6/32)
Comp's'te	166.02	167.90	158.97	168.32	157.31	169.28 (6/1)	154.29 (23/2)	172.16 (10/10/83)	4.40 (1/6/32)

	Apr. 19	Apr. 11	Apr. 4	Year ago (approx)
Industrial div. yield %	4.00	4.08	4.63	4.14
Industrial P/E ratio	12.10	11.89	11.20	13.40
Long Gov. Bond yield	12.66	12.47	12.57	10.41

N.Y.S.E. ALL COMMON

Apr. 19	Apr. 18	Apr. 17	Apr. 16	1984 High	1984 Low
90.89	90.83	91.41	91.00	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Apr. 19	Apr. 18	Apr. 17
Issues Traded	1,951	1,976	1,989
Rises	678	607	1,016
Falls	810	930	559
Unchanged	463	439	414
New Highs	—	17	17
New Lows	—	52	59

MONTREAL	April 19	April 18	April 17	April 16	1984 High	1984 Low
Industrial	418.14	418.85	418.23	417.78	451.40 (6/1)	412.97 (21/2)
Combined	395.58	396.11	398.57	396.26	433.87 (6/1)	393.36 (6/4)
TORONTO Composite	2527.0	2531.8	2536.9	2530.2	2585.7 (6/1)	2315.9 (6/4)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Carter Hawley			+ ⅛
ATT			− ⅛
Exxon			+ ⅛
Fin Cp Am			+ ⅛
Cont. Illinois			− ⅛

	April 19	April 18	April 17	April 16	1984 High	1984 Low
AUSTRALIA						
All Ord. (1/1/80)	759.3	758.2	763.1	764.5	787.9 (9/1)	718.5 (6/6)
Metals & Minls. (1/1/80)	540.7	538.5	542.1	545.7	597.4 (3/1)	493.9 (1/6)
AUSTRIA						
Credit Aktien (2/1/62)	54.96	54.94	54.92	55.05	56.21 (2/1)	53.60 (3/4)
BELGIUM						
Belgian SE (31/12/63)	154.9	154.37	154.37	154.63	154.90 (19/4)	135.28 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	(c)	192.57	192.11	188.26	225.21 (20/1)	178.53 (28/3)
FRANCE						
CAC General (31/12/82)	175.0	171.6	171.1	170.8	175.1 (25/1)	155.8 (3/1)
Ind Tendance (30/12/83)	109.8	108.8	108.6	108.8	114.7 (25/1)	99.4 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	359.58	349.81	352.64	349.78	370.84 (2/2)	341.1 (12/3)
Commerzbank (1/12/53)	1022.7	1024.0	1031.9	1025.9	1096.5 (2/2)	988.3 (12/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1115.85	1090.28	1088.12	1075.48	1178.55 (19/3)	871.06 (3/1)
ITALY						
Banca Comm Ital. (1972)	216.39	215.37	214.55	215.14	229.57 (1/2)	192.86 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	10783.0	10932.8	10205.4	11019.6	11,050.19 (2/4)	9830.47 (14/2)
Tokyo SE New (4/1/68)	842.71	853.60	854.97	864.08	876.52 (2/4)	786.45 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	159.0	160.3	150.5	160.7	178.9 (1/2)	158.4 (28/2)
ANP-CBS Indust (1970)	126.9	128.0	128.5	128.5	147.2 (1/2)	126.9 (19/4)
NORWAY						
Oslo SE (4/1/83)	(c)	281.47	281.40	279.20	281.47 (18/4)	221.67 (4/1)
SINGAPORE						
Straits Times (1966)	992.41	980.84	983.82	1000.55	1071.81 (8/2)	888.12 (28/6)
SOUTH AFRICA						
Gold (1958)	1035.7	1029.5	1023.8	1022.0	1059.8 (5/3)	785.1 (24/1)
Industrial (1958)	1058.8	1055.5	1053.9	1052.6	1106.3 (26/3)	962.8 (25/1)
SPAIN						
Madrid SE (30/12/83)	(c)	116.49	115.75	(c)	120.49 (6/3)	101.22 (3/1)
SWEDEN						
Jacobson & P. (1/1/58)	1627.5	1627.88	1517.49	1509.02	1694.5 (6/2)	1,401.84 (4/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	372.5	376.4	375.5	372.4	388.7 (6/1)	360.0 (12/3)
WORLD						
Capital Intl. (1/1/70)	187.7	—	188.4	188.1	189.6 (30/3)	178.2 (15/2)

** Saturday April 14: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm

The dollar rose quite sharply in quiet pre-Easter trading on Thursday, helped by an upward revision in U.S. first quarter GNP. The figure was increased to 8.3 per cent from a flash estimate of 7.2 per cent, indicating that the U.S. economy was still showing a robust growth rate. This put upward pressure on U.S. interest rates as the market reacted to fears of a tighter Federal policy in order to control inflationary trends normally associated with strong economic growth.

Federal funds in the overnight market were firm at 10¼ per cent, thus providing further justification for maintaining current dollar positions. The U.S. unit closed at DM 2.6570 against the D-mark, its highest level for two months, having recovered from a low of DM 2.6445 and compared with Wednesday's close of DM 2.6490. The West German unit may have been a little depressed by the probability in industrial action by a large number of industrial workers. Elsewhere the dollar rose to SwFr 2.1950 from SwFr 2.1940 and FFr 8.1650 from FFr 8.1545. It eased slightly against the yen however to Y224.75 from Y224.85. On Bank of England figures, the dollar's trade weighted index rose to 127.8 from 127.7.

Sterling was slightly firmer overall. Its trade weighted index closed at 79.9 up from 79.7, having stood at 79.7 at noon and in the morning. It closed at $1.4180-1.4190 against a strong dollar, a rise of just 5 points from Wednesday. Consequently it was higher against the D-mark at DM 3.7700 from DM 3.7575 and SwFr 3.1150 compared with SwFr 3.1125.

£ in New York

	April 19	Prev. close
Spot	$1.4160-4170	$1.4200-4210
1 month	0.25-0.27 dis	0.25-0.27 dis
3 months	0.79-0.80 dis	0.76-0.78 dis
12 months	3.28-3.34 dis	3.25-3.34 dis

Forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4160-1.4230	1.4180-1.4190	0.24-0.29c dis	−2.24	0.77-0.82dis	−2.24
Canada	1.8150-1.8220	1.8170-1.8180	0.22-.032c dis	−1.78	0.85-0.95dis	−1.98
Nethlnd.	4.23½-4.26½	4.24¾-4.25¾	1¼-¾c pm	2.82	3¼-2¾pm	2.70
Belgium	76.80-77.00	76.80-76.90	13-23c dis	−2.81	42-52dis	−2.45
Denmark	13.81-13.87	13.84-13.86	1⅞-2⅞ore dis	−1.84	4¾-5¾dis	−1.34
Ireland	1.2260-1.2310	1.2285-1.2295	0.35-0.43p dis	−3.81	1.15-1.28dis	−3.96
W. Ger.	3.75-3.78	3.76½-3.77½	1¼-¾pf pm	3.19	3½-2¾pm	3.06
Portugal	190.00-192.00	190.50-191.00	130-345c dis	−14.98	460-1030dis	−15.58
Spain	211.50-212.50	211.55-211.85	125-150c dis	−7.78	420-460dis	−8.31
Italy	2320-2328	2325½-2327½	11¾-13¾lire dis	−6.48	40-42dis	−7.06
Norway	10.74-10.80	10.76½-10.77½	4¼-4⅞ore dis	−5.02	12¾-13dis	−4.74
France	11.56-11.59	11.57½-11.58½	3-4c dis	−3.63	11½-13½dis	−4.32
Sweden	11.12-11.17	11.12½-11.14½	2½-2¾ore dis	−2.63	6¾-8¾dis	−2.27
Japan	318-320	318½-319½	1¾-¾y pm	2.59	3½-2½pm	2.51
Austria	26.40-26.55	26.44-26.49	8¾-6¾gro pm	2.15	15-12¾pm	2.18
Switz.	3.10-3.12¼	3.11-3.12	1¾-1c pm	4.82	4-3¾pm	4.82

Belgian rate is for convertible francs. Financial franc 78.45-78.55. Six-month forward dollar 1.57-1.62c dis. 12-month 3.27-3.37.

THE DOLLAR SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4160-1.4230	1.4180-1.4190	0.24-0.29c dis	−2.24	0.77-0.82dis	−2.24
Ireland†	1.1525-1.1580	1.1535-1.1545	0.18-0.14c pm	1.66	0.53-0.43pm	1.70
Canada	1.2802-1.2809	1.2802-1.2807	0.05-0.03c pm	0.37	0.03-0.06pm	0.23
Nethlnd.	2.9905-2.9975	2.9965-2.9975	1.21-1.16c pm	4.75	3.65-3.60pm	4.85
Belgium	54.05-54.20	54.18-54.20	1-3c dis	−0.44	1-4dis	−0.18
Denmark	9.7450-9.7675	9.7625-9.7675	.20ore pm-.80dis	−0.18	2.00-1.00pm	0.61
W. Ger.	2.6445-2.6590	2.6565-2.6575	1.11-1.12pf pm	5.03	3.38-3.30pm	3.81
Portugal	134.40-134.90	134.40-134.90	60-200c dis	−11.59	220-600dis	−12.18
Spain	149.35-149.70	149.40-149.70	65-75c dis	−5.62	225-255dis	−6.42
Italy	1637½-1642	1640-1642	6-6½lire dis	−4.58	19-20dis	−4.76
Norway	7.5850-7.5950	7.5875-7.5925	1.00-2.00ore dis	−2.37	4.00-5.00dis	−2.37
France	8.1500-8.1700	8.1625-8.1675	0.95-1.15c dis	−1.55	3.80-4.40dis	−2.04
Sweden	7.8450-7.8600	7.8475-7.8525	.10ore pm-.40dis	−0.23	.10pm-.40dis	−0.08
Japan	224.20-225.00	224.70-224.80	0.52-0.48y pm	2.68	2.65-2.61pm	4.69
Austria	18.64½-18.69	18.66-18.68	7.00-6.50gro pm	4.34	21.50-18.50pm	4.29
Switz.	2.1880-2.1980	2.1945-2.1955	1.33-1.28c pm	7.14	3.91-3.86pm	7.09

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.30-55.35.

OTHER CURRENCIES

Apr. 19	£	$		£	Note Rates
Argentina Peso	50.46-50.55	35.54-35.57	Austria		26.25-26.55
Australia Dollar	1.5365-1.5395	1.0830-1.0835	Belgium		78.20-79.00
Brazil Cruzeiro	1,570.96-1,582.18	1,108-1,109	Denmark		13.76-13.90
Finland Markka	8.0015-8.0385	5.6400-5.6500	France		11.52-11.64
Greek Drachma	149.60-149.80	104.90-105.20	Germany		3.74-3.78
Hong Kong Dollar	11.0890-11.1050	7.8065-7.8085	Italy		2300-2330
Iran Rial	123.90*	86.95*	Japan		318-323
KuwaitDinar(KD)	0.41750-0.41850	0.29445-0.29480	Netherlands		4.22½-4.26½
Luxembourg Fr.	76.80-76.90	54.18-54.20	Norway		10.74-10.85
Malaysia Dollar	3.2465-3.2535	2.2870-2.2885	Portugal		186-197
New Zealand Dlr.	2.1515-2.1555	1.5168-1.5188	Spain		206¼-216¼
Saudi Arab. Riyal	4.9955-5.0025	3.5205-3.5215	Sweden		11.09-11.20
Singapore Dollar	2.9590-2.9650	2.0835-2.0850	Switzerland		3.09½-3.12½
Sth African Rand	1.7642-1.7689	1.2445-1.2460	United States		1.41-1.43
U.A.E. Dirham	5.2105-5.2175	3.6720-3.6730	Yugoslavia		175-195

* Selling rates.

EXCHANGE CROSS RATES

Apr. 19	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.419	3.770	319.0	11.58	3.115	4.253	2327.	1.818	76.85
U.S. Dollar	0.705	1.	2.658	224.9	8.164	2.196	2.998	1640.	1.281	54.18
Deutschemark	0.265	0.376	1.	84.62	3.072	0.826	1.128	617.1	0.482	20.38
Japanese Yen 1,000	3.135	4.447	11.82	1000.	36.30	9.765	13.33	7293.	5.697	240.9
French Franc 10	0.864	1.225	3.256	275.5	10.	2.690	3.672	2009.	1.570	66.36
Swiss Franc	0.321	0.455	1.210	102.4	3.717	1.	1.365	746.9	0.583	24.67
Dutch Guilder	0.235	0.334	0.887	75.01	2.723	0.733	1.	547.1	0.427	18.07
Italian Lira 1,000	0.430	0.610	1.620	137.1	4.977	1.339	1.828	1000.	0.781	33.03
Canadian Dollar	0.550	0.780	2.074	175.5	6.371	1.714	2.340	1280.	1.	42.28
Belgian Franc 100	1.301	1.846	4.906	415.1	15.07	4.053	5.534	3027.	2.365	100.

MONEY MARKETS

Further shortage

Day-to-day credit was in short supply in the London money market on Thursday. The Bank of England forecast a shortage of around £700m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £447m and a rise in the note circulation of £285m. In addition banks brought forward balances £20m below target. On the other hand Exchequer transactions added £75m.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

The authorities acted to offset the shortage by inviting an early round of tenders for eligible bills. This resulted in help of £397m, comprising purchases of £17m of eligible bank bills in band 1 (up to 14 days) at 8⅞ per cent and £4m in band 2 (15-33 days) at 8⅞ per cent. In band 3 (34-63 days) it bought £20m of eligible bank bills at 8¾ per cent and in band 4 (64-91 days) £12m of local authority bills and £234m of eligible bank bills all at 8¾ per cent. It also arranged sale and repurchase agreements on £110m of bills at 8⅞ per cent unwinding on May 21.

Further help was given in the morning of £88m with the forecast having previously been revised to a shortage of around £650m before taking into account the early assistance. The late morning help comprised purchases of £18m of eligible bank bills in band 2 at 8⅞ per cent and £30m in band 3 at 8¾ per cent. In band 4 it bought £40m of eligible bank bills at 8¾ per cent.

Assistance in the afternoon comprised purchases of £85m of eligible bank bills in band 1 at 8⅞ per cent and £12m in band 2 at 8⅞ per cent. In band 3 it bought £44m of eligible bank bills at 8¾ per cent and in band 4 £56m of local authority bills and £1m of eligible bank bills.

Total help came to £686m.

Interest rates were barely changed ahead of the long weekend despite indications that U.S. rates may rise still further. Three-month interbank money was quoted at 8 13/16-8¾ per cent compared with 8¾-8⅞ per cent while three-month eligible bank bills were bid at 8 15/32 per cent, unchanged from Wednesday.

LONDON MONEY RATES

Apr. 19 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6-8¼	8⅛-8⅜	7½-8⅞	6-8½	—	—	—	—	—
2 days notice	—	—	8⅛-8⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅝-8⅞	8¼-8⅜	8⅝	8⅝-8⅞	—	—	—	—	—
One month	8⅝-8¾	8⅝-8¾	8¾	8⅝	8⅝	8⅝	8½	8⅝	8½	9⅛
Two months	8⅝-8⅞	8⅝-8⅞	8¾	9	8⅝-8¾	8⅝	8⅝	8⅝	8⅝	9⅛
Three months	8⅝-8⅞	8⅝-8⅞	8⅞	8⅞	8⅝-8¾	8⅝	8⅝	8⅝	8⅝	9⅛
Six months	9⅛-9	9⅛-9	9⅛	—	—	—	—	—	—	9⅜
Nine months	9⅜-9⅛	9⅜-9⅛	9⅜	—	—	—	—	—	—	—
One year	9⅜-9⅛	9⅜-9⅛	9⅜	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	8⅞-8⅝	—	8⅞	10.55-10.65	8⅛-9	8⅞-9⅛
Two months	9⅛-9	—	8⅞	10.85-10.75	8⅞-9	9-9¼
Three months	9⅛-9	—	9	10.75-10.85	9⅛-9⅜	9⅛-9⅜
Six months	9⅜-9⅛	—	9⅜	11.0-11.1	9⅛-9⅜	9⅜-9⅝
Nine months	9⅜-9⅛	—	9⅜	11.15-11.25	—	—
One year	9⅝-9⅜	—	9⅝	11.45-11.55	9⅝-10⅛	10-10⅜
Two years	—	10⅛	—	—	—	—
Three years	—	10⅜	—	—	—	—
Four years	—	10⅝	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV. Average Rate of Interest period March 7 to April 3 1984 (inclusive). 8.976 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from April 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 6⅛-6⅜ per cent. Treasury Bills: Average tender rates of discount 8.3260 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 8⅛ per cent; one-three months 8⅞ per cent; three-six months 9 per cent; six-nine months 9⅛ per cent; nine-12 months 9⅛ per cent. Under £100,000 8⅛ per cent from April 11. Deposits held under Series 4-5 9⅛ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. April 19)

3 months U.S. dollars	
bid 10 15/16	offer 11 1/16

6 months U.S. dollars	
bid 11 1/4	offer 11 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8½-8⅞	10⅛-10⅜	10-10¼	5¼-5⅞	1½-1⅞	5¼-5⅝	11⅞-12⅛	14⅝-15⅛	11⅛-12	11⅛-12	5⅛-5⅜	10⅞-11⅜
7 days' notice	8½-8⅞	10⅛-10⅜	10-10¼	5⅛-5⅜	3¼-3⅞	5¼-5⅝	11⅞-12⅛	13¼-15⅛	11⅛-11⅞	11⅛-11⅞	5⅛-5⅜	11-11⅜
Month	8⅝-8¾	10⅛-10⅜	10⅛-10⅜	5⅝-6	3⅝-3⅞	5⅜-5⅝	12⅛-12⅜	16⅛-16⅝	11-11⅛	11-11⅛	5⅞-6⅛	10⅞-11⅜
Three months	8⅝-8⅞	10⅝-11⅛	10⅝-11⅛	5¾-6	3⅞-4⅛	5⅝-5⅞	13-13⅜	16-16⅝	11-11⅜	11-11⅜	5¾-6⅛	10½-11
Six months	9⅛-9⅜	11⅛-11⅜	11-11⅛	6-6⅜	4¼-4⅝	5⅞-6⅛	14-14⅜	16⅛-16⅝	11⅞-12⅜	11⅞-12⅜	5⅞-6⅛	10⅝-11
One year	9⅜-9⅝	11⅝-11⅞	11⅝-11⅞	6⅛-6⅜	4⅛-4⅜	6⅛-6⅜	14⅛-15	17⅛-17⅝	12⅛-12⅜	12⅛-12⅜	6⅛-6⅜	10⅞-11

Asian $ (closing rates in Singapore): Short-term 10⅛-10⅜ per cent; seven days 10⅛-10⅜ per cent; one month 10⅛-10⅜ per cent; three months 10⅝-11⅛ per cent; six months 11⅛-11⅜ per cent; one year 11⅝-11⅞ per cent. Long-term Eurodollars two years 12⅛-12⅜ per cent; three years 12⅜-12⅝ per cent; four years 12⅝-12⅞ per cent; five years 12⅝-12⅞ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984 High	1984 Low
METALS					
Aluminium	£1100		£880	£1100	£1100
Free Market	$1430/1470	+20	$1350/1390	$1580/1615	$1410/1440
Antimony					
Free Market 99.6%	$3550/3450		$1970/2040	$3450/3520	$2450/2620
Copper-Cash High Grade	£1101.25	+19	£1103.5	£1131.5	£1004.5
3 months Do. Do.	£1116.25	+21.5	£1133.5	£1116.25	£969.75
Cash Cathode	£1101.5	+21.5	£1098	£1101.5	£963.5
3 months Do.	£1108.25	+19.75	£1111.5	£1108.25	£957
Gold Per oz.	$385	+8	$405.75	$395	$355.125
Lead Cash	£338.75	−0.75	£289	£349.5	£269.5
3 months	£346.25	+4.5	£307.625	£346.25	£279.25
Nickel	£4635		£4833	£5025	£4836
Free Markets c.i.f. lb.	217/237c		210/245c	213/232c	203/228c
Palladium per oz.	£160.25	+1.75	£127.00	£162.25	£136.75
Platinum per oz.	£398.25	+9.75	£270.40	£411.35	£367.25
Quicksilver (76 lbs)	$315/318	+1.5	$300/320	$315/318	$290/300
Silver per oz.	656.45p	+18.65	776.00p	679.70p	561.20p
3 months per oz.	669.55p	+18.15	796.00p	694.40p	573.90p
Tin cash	£8823.5	+94.5	£8890	£8882.5	£8370
3 months	£8807.5	+75.5	£8895	£8886.5	£8317.5
Tungsten Ind.	$83.51	+5.76	$83.23	$83.51	$76.43
Wolfram (22.04 lb.)	$84/88		$80/81	$85/90	$71/75
Zinc cash	£718.75	+14.75	£436.5	£767	£630
3 months	£706.75	+10.75	£473.25	£718.25	£640.5
Producers	$1,050/1,080		$750	$1050/1080	$950
GRAINS					
Barley Futures	£106.95u	+0.45	£111.20	£123.55	£106.50
Maize French	£147.50		£146.00	£149.00	£145.50
WHEAT Futures					
Hard Winter Wheat	£129.30t	+0.40	£156.10	£130.50	£118.80
SPICES					
Cloves	$5,400x		$4,450	$5,500	$5,000
Pepper, white	$3,100x		$1,750	$3,450	$3,100
black	$1,800x		$1,275	$2,550	$1,800
OILS					
Coconut (Philippines)	$1200x	+70	$580	$1,290	$1042.5
Groundnut	$11602		$1,168	$920	
Linseed Crude			£495	£443	£397
Palm Malayan			$455	$910	$660
SEEDS					
Copra (Philippines)	$740x	+35	$385	$805	$685
Soyabeans (U.S.)	$322		$259	$334	$286.25
OTHER COMMODITIES					
Cocoa Shipment	£1,892	+42	£1,319	£2,124	£16.72
Cocoa Futures July	£1,846	+48.5	£1,278.5	£2,031	£1658.5
Coffee Futures July	£2,078	+66.5	£1,529.5	£2,119.5	£1,999.5
Cotton Index	88.45c	−0.15	80.50c	89.30c	86.65c
Des. Coconut	£1030		£850	£1,090	£995
Gas Oil Fut. May	$243.5	−0.25	$249.5	$257.75	$235.5
Jute LJA BWC grade	$500x			$510	$485
Rubber kilo	75.5p	−1.75	74.5p	91p	75.5p
Sago Pearl	$300x		$270	$300	$275
Sisal No. 3L	$660x		$646	$650	$650
Sugar (Raw)	$113x	+3.5	$111	$137	$105.5
Tapioca No. 1	$305x		$288	$320	$295
Tea (quality) kilo	290p	+8	140p	290p	280p
(low med) kilo	224p	+4	122p	270p	210p
Wooltops 64s Super	470p kilo		395p kilo	474p kilo	458p kilo

‡ Unquoted. (z) May. (y) Madagascar. § Ghana cocoa. (x) April-May. (t) June. (u) July. (v) Sept. (z) May-June.

LONDON OIL

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.55-28.45	−0.03
Iranian Light	27.60-27.95	−0.03
Arab Heavy	26.90-26.95	
North Sea (Forties)	29.90	−0.10
North Sea (Brent)	29.80-30.00	−0.12
African Bonny Lt	30.05-30.10	
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	274-278	
Gas Oil	247-252	−1
Heavy fuel oil	181-185	

GAS OIL FUTURES

The gasoil market saw a narrow trading throughout Thursday as no unwillingness to take new positions in front of the long weekend encouraged more bearish sentiment and the influence of softer physicals, reports Premier Man. Turnover: 689 (920) lots of 100 tonnes.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
April	245.00	−0.50	246.00-247.2
May	243.50	+0.25	245.00-243.2
June	242.50	−0.25	243.50-242.2
July	243.00	+0.25	243.50-242.5
Aug	245.00	+0.50	245.50-244.5
Sept	247.50	+0.75	247.50-246.5
Oct	249.50	+0.75	250.00
Nov	251.50	+0.75	251.50
Dec	253.25	+0.75	

Turnover: 930 (578) lots of 100 tonnes.

GOLD MARKETS

Gold rose $7 an ounce from Wednesday's close in the London bullion market on Thursday to finish at $384¼-385¼. The metal opened at $384½-384¾ and traded between a high of $385¼-386 and a low of $384¼-384¾. The sharp rise was reflected in early levels as the market adjusted to a firmer trend in U.S. markets. There was little follow through interest however and prices settled to trade within a narrow range for most of the day.

LONDON FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ per troy ounce		
June	389.50-389.8	+4.80	390.10-88.50
Aug	395.00-395.4	+5.00	—
Oct	402.50-403.0	+4.8	402.00
Dec	409.20-410.0	+4.8	—
Feb	417.20-418.0	+4.4	417.20

Turnover: 400 (284) lots of 100 troy ounces.

	Apr. 19		Apr. 18	
Gold Bullion (fine ounce)				
Close	$384¼-385¼	(£271¼-271¾)	$377¼-378¼	(£265¼-266¼)
Opening	$384½-384¾	(£271¼-271¾)	$380¼-381¼	(£267¾-268¼)
Morning fixing	$385.00	(£271.241)	$380.10	(£267.011)
Afternoon fixing	$384.90	(£270.715)	$380.525	(£268.013)
Gold and Platinum Coins Apr. 19				
Krugrnd	$395½-396	(£279¼-280)	King Sov	$95-96½ (£67-68)
½ Krug.	$201½-205¾	(£142½-144¾)	Victoria Sov	$95-96½ (£67-68)
¼ Krug.	$103½-105¾	(£73-74½)	French 20s	$75-80 (£53-56¼)
1/10 Krug.	$41¾-42¾	(£29½-31)	50 pesos Mex	$470-474 (£331½-334½)
Mapleleaf	$396½-398	(£279½-280½)	100 Cor. Aust	$372-376 (£262½-265¼)
New Sov.	$90-91	(£63½-64½)	$20 Eagles	$480-490 (£338½-345¾)
½ New Sov.			Noble Plat	$408¼-414¾ (£288¼-292¾)

REVIEW OF THE WEEK

New surge in London coffee market

BY OUR COMMODITIES STAFF

COFFEE PRICES climbed to the highest level since the end of January this week encouraged by a "bullish" estimate for the Brazilian 1983/84 harvest.

West German trader Bernhard Rothfos forecast Brazil's crop total at 25.7m bags (60 kilos each), well down from recent trade estimates.

The main underlying feature remained the shortage of supplies available for nearby delivery, despite the International Coffee Oranisation's decision last week to bring forward 1m bags from the July/September quota into the current quarter.

London futures market prices were trimmed back a little on Thursday as speculators, who were becoming doubtful about the scope for further gains, took their profits. But the July quotation still ended £66.50 up on the week at £2,078 a tonne.

Cocoa values were boosted on Thursday when London trader Woodhouse, Drake and Carey confirmed it had cut its estimate of Brazil's 1983/84 crop to 1.65m bags from 2.1m last month. This tended to support trade expectations that the world crop deficit for the current season will exceed 100,000 tonnes.

Thursday's £27 rise in the July cocoa futures price, which was also influenced by news of a 9.5 per cent rise in Dutch cocoa bean grindings in the first quarter and reports that Nigeria had sold out of main crop supplies, took the price to £1,846 a tonne, up £48.50 on the week.

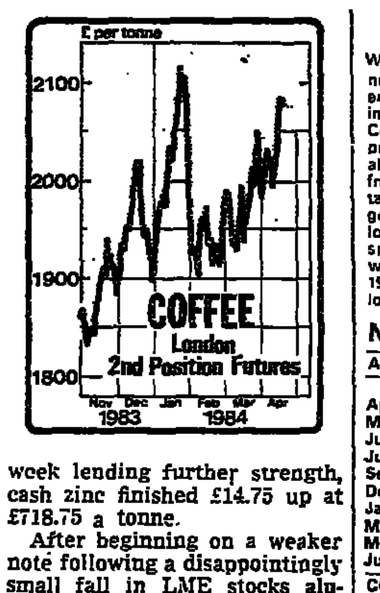
On the London Metal Exchange (LME) base metals prices were generally higher.

A bigger-than-expected 27,175 tonnes fall in LME copper stocks, announced on Monday, took the total to the lowest level since August—153,000 tonnes below the January peak. The bullish implications of this were temporarily offset by a 2 cents price cut to 74c a lb by Kennecott of the U.S. but the price rose later, encouraged by gold's advance and the weakness of sterling. Cash high grade copper ended £19 up on the week at £1,101.25 a tonne.

Lead was alone among the leading metals in ending down on the week. With physical buyers few and far between a 6,075 tonnes LME stock fall failed to lift the market on Monday and though news that the three-week-old strike at Broken Hill's mine in Australia boosted prices in mid-week cash lead still ended £0.75 down at £338.75 a tonne.

The Broken Hill news also lifted zinc prices. With Chinese demand and the prospect of a U.S. mint buying tender next week further strength, cash zinc finished £14.75 up at £718.75 a tonne.

After beginning on a weaker note following a disappointingly small fall in LME stocks aluminium prices recovered strongly. Dealers thought the rise, which left the cash price £22 up at £974.50 a tonne, was encouraged by the fact that the market had become oversold during the preceding four-week decline.



COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade trade at £1101.50, three months £1118, 17.50, 16.50, 17.50, 18, 17, 16.50, 16, 16.50. Cathodes: Cash 1101, 1100, three months £1108. Kerb: Three months £1116.50, 16, 15, 14, 13, 13.50, 13, 12. Turnover 16,225 tonnes. U.S. Producers 74.00-78.00 cents per pound.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
HighGrde	£	£	£	£
Cash	1101-.5	+6		
3 months	1118-.5	+6		
Settlem't	1101.5	+4.75		
Cathodes				
Cash	1100-1	+7.5		
3 months	1108-.5	+6.75		
Settlem't	1101	+7		

TIN

Tin—Standard: Three months £8810, 20, 15, 12, 10, 15, 10, 5. High Grade: Three months £8860, 65, 61. Kerb: Three months £8800, 8800, 5. High Grade: Three months £8855. Turnover 2,145 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	8870-80	+32.5		
3 months	8860-1	+28		
Settlem't	8880	+44		
Standard				
Cash	8820-5	+36.5		
3 months	8810-5	+15		
Settlem't	8825	+38		
Straits E.	$29.15			

LEAD

Lead—Three months £346, 46.50, 47. Kerb: Cash: £338, 39.25, 39 three months £347, 46, 46.50, 46.25. Turnover 6,100 tonnes. U.S. Spot 26.00-28.00 cents per pound.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	338.5-9	−5		
3 months	346.25	−5		
Settlem't	339	−5		

ZINC

Zinc—Cash: £718.50, three months £708, 8.50, 8, 7, 8, 6.50, 7, 7.50, 7. Kerb: Three months £707. Turnover 6,150 tonnes. U.S. Prime Western 53.00-53.75 cents per pound.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	718.5-9	+7.5		
3months	706.5-7	+5		
Settlem't	719	+2.5		

ALUMINIUM

Aluminium—Three months £988, 89.50, 89, 90, 91, 90, 89, 89, 90, 91, 92, 91.50, 92, 93, 94. Kerb: Three months £993, 92.50, 92, 91. Turnover 17,375 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	974-5	+15	—	......
3 months	993-4	+15½	—	......

NICKEL

Nickel—Three months £3555, 54, 52, 40. Kerb: Three months £3535, 30, 25, 20, 21. Turnover 1,146 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot	3460-70	−12.5		
3 months	3530-40	−31		

SILVER

Silver was fixed 8.55p an ounce higher for spot delivery in the London bullion market yesterday at 656.45p. U.S. equivalents of the fixing levels were: spot $9.325, up 11.8c; three-month $9.56, up 12.1c; six-month $9.803, up 12.4c; and 12-month $10.362, up 14.1c. The metal opened at 657½-660½p ($9.32-9.36) and closed at 660-663p ($9.36-9.39).

LME—Silver (2,000 oz contract): Cash 656.5p (640.5p); three months 671.75p (654.25p). Turnover: 3 (0). Turnover: 98 (65) lots of 10,000 ozs. Morning: Large three months 673.0, 74.0, 74.5, 74.0, 73.5, 73.0, 72.0, 71.0, 70.0, 70.5, 70.0, 71.0, 71.5. Small cash 656.5. Kerb: Large three months 671.5.

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unofficial	+ or −
Spot	656.45p	+8.55	656.5p	+16
3 months	669.55p	+8.35	671.75p	+17.5
6 months	684.40p	+8.15	......	......
12months	714.40p	+8.45	......	......

COCOA

Sales: 5,839 (6,892), lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily prices for April 19: 118.53 (113.57); five-day average for April 20: 114.45 (113.78).

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
May	1830-32	+24.5	1844-25
July	1845-47	+27.0	1856-29
Sept	1832-33	+25.0	1842-08
Dec	1808-09	+17.0	1814-1795
March	1755-57	+14.5	1770-55
May	1755-60	+15.5	1764-61
July	1750-60	+29.5	1757

COFFEE

Sales: 2,898 (5,171) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for April 18: Comp. daily 1979 144.47 (144.35); 15-day average 144.00 (143.84).

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per tonne		
May	2093-95	+0.5	2101-86
July	2077-78	+0.0	2086-70
Sept	2055-56	−5.0	2064-45
Nov	2031-32	−5.0	2041-25
January	1995-98	−5.5	2005-90
March	1969-70	−6.0	1985-75
May	1889-90	+7.0	1890-78

GRAINS

Business done—Wheat: May 129.00-7.20, July 129.75-9.00, Sept 109.00-8.90, Nov 111.90-1.80, Jan 114.50 only, Mar 117.85-7.65. Sales: 378 lots of 100 tonnes. Barley: May 120.00-19.50, Sept 107.05-6.95, Nov 110.00 only, Jan 112.95 only, Mar untraded. Sales: 250 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterd'ys close	+ or −
May	127.50	−0.50	119.85	−0.15
July	129.30	−0.40	—	—
Sept	108.90	−0.05	106.95	—
Nov	111.80	−0.10	109.95	—
Jan	114.40	−0.20	112.85	−0.05
Mar	117.60	−0.05	115.50	—

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 14 per cent June 139.75, July 137.75, Aug 135 sellers transhipment east coast. Maize: U.S. No 3 yellow/French April 147.50, first half May 148.25 sellers east coast. Barley: English feed fob May 127 seller east coast. Rest unquoted.

PIGMEAT

Month	Yesterdays close	Previous close	Business Done
	p. per kilo (deadweight)		
June	118.0	117.9	118.1-117.7
July	114.4	115.0	114.1-114.4
Aug	119.4	119.2	119.2-118.9
Nov	120.0	119.6	120.3-119.7
Jan	113.6	112.6	112.8
April	116.9	117.0	117.0

Sales: 120 (100) lots of 50 carcases 3,250 kilos.

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	209.50	202.60	218.0-204.9
May	209.30	213.80	217.5-208.0
Nov	66.00	66.00	66.00-65.50
Feb	74.00	74.00	76.00
April	85.50	85.50	87.00-86.00

Sales: 1,198 (750) lots of 40 tonnes.

RUBBER

The London physical market opened steadier, attracted no follow-through interest through-out the day and closed quiet and easier, reports Lewis and Peat. The Kuala Lumpur May fob prices for RSS No 1 was 246.5 (247.5) cents a kg and for SMR 20 was 225.0 (same).

Sales: 56 (87) lots of 15 tonnes, 0 (0) lots of 5 tonnes. Physical closing prices (buyers): Spot 75.50p (same); May 80.50p (80.00p); June 80.00p (same).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
May	740-776	740-765	—
June	755-760	755-760	—
Jly-Sept	778-779	781-782	786-779
Oct-Dec	809-810	812-814	814-810
Jan-Mch	852-853	845-854	854-851
Apl-Jne	852-855	862-876	—
Jly-Sept	865-877	862-878	—
Oct-Dec	881-890	884-896	—

INDICES

FINANCIAL TIMES

Apr. 19	Apr. 18	M'th ago	Year ago
309.56	308.12	304.88	259.56

(Base: July 1 1952=100)

REUTERS

Apr. 19	Apr. 18	M'th ago	Year ago
2009.7	2007.3	2008.1	1749.9

(Base: September 18 1931=100)

MOODY'S

Apr. 18	Apr. 17	M'th ago	Year ago
1074.8	1071.9	1075.0	1041.5

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Apr. 16	Apr. 17	Month ago	Year ago
Spot	140.90	140.52	142.87	148.60
Fut's	144.16	142.16	144.93	147.06

(Base: December 31 1974=100)

SUGAR

LONDON DAILY PRICE—Raw sugar £113.00 ($160.00), up £1.00 a tonne for April-May-June delivery. White sugar $173.00, up $1.50.

Sales: No. 4 70 (105): No. 6 3,465 (2,487) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £218.75 (same) a tonne for export.

No. 4 Con. tract	Yestday's close	Previous close	Business done
	£ per tonne		
May	115.00-50.00	112.00-15.00	120.00-12.00

No. 6 Contract	$ per tonne		
May	165.40-65.80	161.20-61.40	165.80-61.60
Aug	176.60-77.00	174.00-75.00	177.75-74.60
Oct	187.00-88.00	185.00-86.20	188.40-85.00
Dec	194.00-94.60	192.00-93.20	195.00-93.00
Mar	215.40-15.60	212.80-12.00	216.20-12.20
May	221.00-22.00	220.40-20.50	223.00-20.00
Aug	231.00-32.00	229.00-30.40	—

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 18: Daily price 5.88 (5.98); 15-day average 6.14 (6.18).

Bowater plan passed

At the EGM of Bowater Corporation a resolution was passed approving the issue in the U.S. of common stock of Bowater Incorporated and approving the demerger of that company in principle. Votes given by proxy on the resolution were 40,678,831 in favour and 11,016 against.

The final results of the rights issue will be announced on Tuesday, but the indications are that it has been a "resounding success."

AMERICAN MARKETS

NEW YORK, April 19.

Gold and silver values retraced from Wednesday's sharp gains as the weakness in currencies and financials encouraged profit-taking and renewed interest, report Heinold Commodities. Copper posted modest losses in sympathy with precious metals while aluminium was steady on a lack of fresh news and reports of better offtake. Sugar was under pressure as good availability of cash encouraged long liquidation. Cocoa attracted speculative buying interest on an upward revision in the crop deficit for 1983/84 but origin selling prompted long liquidation toward the close. Coffee remained firm on the lack of trade selling as reports of tightness in nearby supplies continued to circulate. A decline in warehouse stocks contributed to a firm tone in cotton values. Heating oil prices advanced on short-covering ahead of a long weekend and on rising apprehension about further intensification of the Iran-Iraq conflict. Maize traded higher as dealers bought old and new crop months nearing earlier contract highs. Wheat also finished higher as adverse weather forecasts, threatening below freezing temperatures for next week. Soyabeans closed mixed with new crop beans under a little pressure while nearby positions found firm support.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

	Close	High	Low	Prev
April	65.40	—	—	65.30
May	65.60	65.70	65.30	65.50
June	66.15	—	—	65.75
July	66.70	66.90	66.50	66.55
Sept	67.80	—	—	67.60
Dec	69.45	—	—	69.35
Jan	70.00	—	—	69.90
March	71.00	—	—	71.00
May	72.20	—	—	72.20
July	73.30	—	—	73.20

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	2517	2520	2465	2488
July	2535	2540	2485	2518
Sept	2526	2540	2495	2523
Dec	2480	2456	2420	2487
March	2421	2440	2421	2440
May	2430	—	—	2452
July	2440	—	—	2450

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	153.90	154.23	153.22	153.22
July	147.13	147.24	145.75	145.41
Sept	144.05	144.15	143.00	142.75
Dec	140.65	141.00	140.00	140.07
March	138.55	138.90	137.75	137.63
May	136.00	136.40	136.00	135.05
July	134.76	135.00	134.76	134.13
Sept	133.50	133.50	133.50	133.05

COPPER 25,000 lb. cents/lb

	Close	High	Low	Prev
April	69.45	—	—	69.90
May	69.65	70.10	69.60	70.10
June	70.35	—	—	70.80
July	71.05	71.55	71.00	71.55
Sept	72.45	72.95	72.35	72.95
Dec	74.35	74.80	74.45	74.95
Jan	75.10	75.30	75.30	75.60
March	76.45	77.00	76.50	76.65
May	77.80	78.25	77.95	78.30
July	79.15	—	—	79.60

COTTON 50,000 lb. cents/lb

	Close	High	Low	Prev
May	79.15	79.18	78.79	78.85
July	79.20	79.74	78.75	78.85
Oct	76.28	76.30	76.20	76.02
Dec	74.20	74.27	74.00	73.85
March	75.40	—	—	75.10
May	75.80	—	—	75.60
July	76.00	—	—	75.85
Oct	75.30	—	—	75.10

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel

	Close	High	Low	Prev
June	30.52	30.55	30.48	30.50
July	30.46	30.48	30.43	30.44
Aug	30.40	30.42	30.36	30.38
Sept	30.39	30.39	30.39	30.37
Oct	30.35	30.39	30.35	30.35
Nov	30.33	30.33	30.30	30.30
Dec	30.32	30.31	30.31	30.30
Jan	30.32	30.32	30.31	30.30
Feb	30.30	30.30	30.30	30.30
March	30.26	30.26	30.26	30.26

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	384.3	385.5	383.5	387.4
May	386.4	—	—	388.4
June	389.0	390.4	387.8	391.9
Aug	395.2	396.2	394.0	398.0
Oct	401.2	402.2	400.0	404.2
Dec	407.2	408.5	406.6	410.5
Feb	413.6	414.0	413.0	417.2
April	420.1	420.5	419.5	423.6
June	427.0	427.5	426.6	430.3
Aug	433.5	435.0	435.0	437.0
Oct	440.4	—	—	443.8
Dec	447.2	—	—	450.6
Feb	454.1	—	—	457.5
April	461.1	—	—	464.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	81.20	81.30	80.50	80.12
June	78.75	78.90	78.05	78.11
July	78.35	78.40	78.05	77.78
Aug	78.65	78.00	76.60	78.15
Sept	79.20	79.00	78.65	78.55
Oct	79.90	80.00	79.90	79.45
Nov	81.00	81.00	80.55	80.40
Dec	82.00	82.00	81.95	81.30
Jan	83.00	—	—	82.00
Feb	84.50	—	—	84.00

ORANGE JUICE 15,000 lb. cents/lb

	Close	High	Low	Prev
May	176.10	176.65	175.60	177.00
July	176.90	177.40	175.70	175.80
Sept	175.50	176.00	174.50	174.00
Nov	174.00	174.50	172.25	172.30
Jan	172.60	173.00	172.00	171.50
March	172.25	172.00	171.00	171.00
May	172.25	172.25	172.25	171.00
July	172.00	—	—	170.60
Sept	172.0	—	—	170.60

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	400.4	400.0	398.0	402.0
May	403.4	—	—	—
June	406.4	410.5	410.5	407.1
July	410.4	410.5	410.5	413.5
Oct	417.8	419.0	414.5	418.1
Jan	424.8	425.5	422.0	426.1
April	431.6	435.0	432.0	434.7
July	438.5	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	932.0	—	—	944.0
May	934.0	941.5	928.0	944.0
June	942.8	944.0	943.0	952.8
July	951.7	959.8	947.0	961.4
Sept	967.4	968.0	968.0	978.0
Dec	996.7	1004.0	994.0	1006.0
Jan	1006.1	—	—	1015.4
March	1025.3	1033.0	1027.0	1034.4
May	1045.5	—	—	1054.4
July	1066.7	1075.0	1074.0	1075.4

SUGAR WORLD "11" 112,000 lb. cents/lb

	Close	High	Low	Prev
May	5.91	5.07	5.91	6.05
July	6.48	6.62	6.43	6.62
Sept	6.95	7.05	6.94	7.03
Oct	7.17	7.28	7.15	7.28
Jan	7.95	7.95	7.90	7.99
March	8.29	8.50	8.27	8.51
May	8.78	8.83	8.74	8.83
July	9.12	9.17	9.10	9.19
Sept	9.45	9.50	9.50	9.51

CHICAGO

LIVE CATTLE 40,000 lb. cents/lb

	Close	High	Low	Prev
April	71.30	71.40	70.90	71.25
June	69.65	67.65	66.62	67.22
Aug	64.00	64.00	63.55	63.57
Oct	62.60	63.37	62.50	62.50
Dec	63.80	64.35	63.67	63.67
Feb	63.90	64.20	63.50	63.80

LIVE HOGS 30,000 lb. cents/lb

	Close	High	Low	Prev
April	50.17	50.45	49.70	49.97
June	56.00	56.30	55.75	56.00
July	57.90	58.00	57.55	57.75
Aug	58.20	58.40	57.95	58.27
Oct	53.80	53.35	53.30	53.12
Dec	55.70	55.80	55.30	55.15
Feb	54.50	54.95	54.27	54.55
April	51.50	51.80	51.60	51.85
June	53.30	53.40	53.25	53.30

MAIZE 5,000 bu min. cents/56 lb-bushel

	Close	High	Low	Prev
May	357.4	357.6	354.4	354.4
July	356.2	356.4	352.6	352.6
Sept	326.6	327.0	322.6	322.6
Dec	305.0	305.0	301.4	301.6
March	311.2	311.4	308.4	308.0
May	317.6	317.6	315.0	314.0

PORK BELLIES 38,000 lb. cents/lb

	Close	High	Low	Prev
May	69.42	69.75	68.95	68.95
July	69.65	69.75	67.25	67.22
Aug	67.70	67.70	65.70	65.42
Feb	74.00	74.70	74.05	74.90
March	73.90	73.90	73.80	73.65
May	74.80	75.00	74.50	74.50
July	74.30	74.50	74.00	74.00

SOYABEANS 5,000 bu min. cents/60 lb-bushel

	Close	High	Low	Prev
May	768.4	769.0	753.0	755.2
July	775.2	775.6	760.0	762.2
Aug	761.2	761.4	746.0	750.0
Sept	702.6	703.0	692.0	694.4
Nov	659.2	663.0	653.0	655.6
Jan	669.2	672.0	663.0	665.6
March	677.0	680.0	672.0	674.6
May	681.0	685.0	680.0	680.0

SOYABEAN MEAL 100 tons. $/ton

	Close	High	Low	Prev
May	193.2	193.5	192.4	192.3
July	198.1	198.5	196.8	197.3
Aug	196.5	200.2	199.0	200.3
Sept	196.5	196.8	195.5	195.8
Oct	193.2	193.6	192.5	194.5
Dec	195.0	195.5	194.0	197.7
Jan	196.5	196.0	196.0	196.0
March	201.3	202.0	200.5	200.2
May	205.0	—	—	204.0

SOYABEAN OIL 60,000 lb. cents/lb

	Close	High	Low	Prev
May	31.39	31.47	31.05	31.23
July	31.45	31.48	31.05	31.17
Aug	30.90	30.90	30.58	30.60
Sept	29.80	29.80	29.50	29.50
Oct	27.50	27.95	27.50	27.33
Dec	26.50	26.50	26.20	26.34
Jan	26.22	26.22	25.95	25.93
March	25.75	26.00	25.75	25.75

WHEAT 5,000 bu min. cents/60 lb-bushel

	Close	High	Low	Prev
May	371.0	372.0	367.2	368.0
July	354.2	354.6	350.4	350.6
Sept	353.4	353.4	350.4	351.2
Dec	363.4	363.6	360.4	360.4
March	371.0	371.4	369.0	369.0
May	381.0	380.0	380.0	379.0

SPOT PRICES—Chicago loose lard 29.50 (same) cents per pound. New York tin 580.0-87.0 (579.0-85.0) cents per pound.

MARKET REPORT

Miners' dispute and U.S. market trends make for uncertain pre-holiday session

Account Dealing Dates

Option *First Dealings	Declara- tions	Last Dealings	Account Day
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21
May 14	May 31	June 1	June 11

* "New-time" dealings may take place from 9.30 am two business days earlier.

An uncertain atmosphere hung over London markets throughout the last session before the long weekend holiday. Too many imponderables concerning domestic and trans-atlantic situations faced investors and business wound down further awaiting possible developments. Leading shares were only slightly easier initially but Thursday's moves in the miners' dispute—NUM delegates have called for a national strike without holding a national ballot—exerted fresh downward pressure.

With the dockers' leaders later threatening a total stoppage if members were suspended without pay for blacking the movement of coal, the miners' situation seemed to be escalating faster than previously envisaged. Later in the afternoon, news of a U.S. Gross National Product figure for the first quarter of 8.3 per cent, compared with "flash" estimates of 7.2 per cent, added to the market's indecision.

Thus, the second week of the current extended trading Account ended on a decidedly less cheerful note than the previous leg. The FT Industrial Ordinary share index closed down 8.6 at 880.0 and this week has given up over 15 points of the previous week's 30-point rise. The FT-Actuaries All-share index shed 0.5 per cent to 523.65 on Thursday.

Very few leading industrials encountered selling in any volume except for those recently strong on trading results. Hawker Siddeley were a case in point but lost only a relatively small part of the previous two-day upsurge. Secondary equities were generally neglected, but the odd situation issue responded to sporadic speculative interest.

Weakening U.S. bond values beset the market in Government securities. Conventional and index-linked stocks fell as holders became nervous again about the American financial markets. Bear covering reduced the losses in Gilts at one stage but when the U.S. bond market headed lower again on Thursday, quotations eased back again. Index-linked issues closed with falls ranging to ½, while conventional short-dated stocks ended a maximum of ⅛ down.

Banks drift lower

Muted fund raising fears continued to deter buyers of the major clearing banks and prices drifted lower in quiet trading. Barclays shed 7 to 473p for a four-day fall of 27, while NatWest lost 5 more at 640p. Lloyds gave up 7 at 618p, but Midland, a shade easier at one stage, picked up to close without alteration at 378p. Bank of Scotland, which announced a £40m plus rights issue on Wednesday, eased 5 afresh to 650p. In contrast, Discount Houses attracted revived support on hopes of further mergers within the sector. Union Discount improved 7 to 750p, Jessel Toynbee 5 to 107p and Smith St Aubyn 3 to 68p.

Insurances presented a dull picture. Small selling and lack of support clipped 5 from General Accident, at 460p, and a similar amount from Royals, at 575p. Phoenix fell 10 to 460p and Sun Alliance lost ¼ to £14¼. Commercial Union slipped 2 to 215p despite a mildly bullish circular from brokers Laurie Millbank. Among Life issues, Legal and General lost 10 at 455p, the chairman's annual statement making no apparent impression.

In first-time dealings, Biotechnology Investments opened at £11 and settled at £10 compared with the offer price of £9.15. Plantation and General Investments, whose principle businesses consist of a tea plantation in Malawi and the Telfos engineering business in the UK, opened at 263p and moved up to 275p. Among other recently-issued equities, The Body Shop International drew fresh support and in a restricted market rose 20 to 195p—a premium of 100p over the placing price of 95p. Petranol continued to attract buyers on exploration hopes and touched 325p prior to closing a net 20 higher at 318p; the company has signed an agreement with Neuve Operating Company of Texas for the development of a farm-out in Jones County, Texas.

In demand on Wednesday following RMC's excellent annual results, leading Building Material issues failed to attract further support and drifted back on light offerings. RMC, at 462p, lost a few pence of Wednesday's gain of 24, while Blue Circle cheapened 5 to 412p and BPB Industries eased 4 to 328p. In contrast, AMEC, which also reported good preliminary results on Wednesday, drew fresh support and rose 8 for a two-day gain of 15 to 240p, after 242p. Elsewhere, Whatlings put on 4 to 83p following news that Marchwiel had acquired Epicure's 15.6 per cent stake in the company. Benford Concrete Machinery lost 5 to 67p following the disappointing annual results.

Firm recently following the chairman's encouraging AGM statement, ICI drifted back on lack of fresh support and closed 10 down at 606p. Laporte Industries, a strong market since the announcement of a major disposal, slipped 3 to 440p, but retained a four-day gain of 50. Rentokil put on 6 to 136p on sizeable country buying, while old takeover favourite James Halstead revived and gained the same amount to 80p.

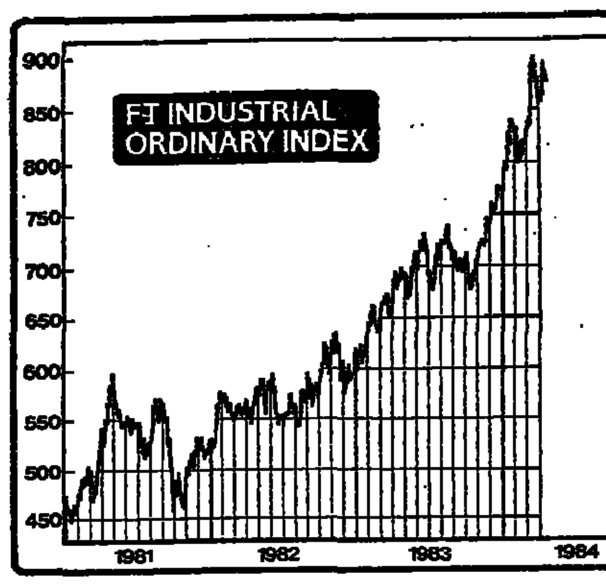
Stores quietly mixed

Leading Stores again lacked impetus and finished a generally disappointing week on a dull note. Gussies "A" fell 10 to 623p, while Marks and Spencer shed 3 at 244p. House of Fraser, due to announce preliminary results next Thursday, eased a couple of pence to 252p. By way of contrast, secondary counters again displayed some noteworthy bright spots. Fortnum and Mason were marked 4½ points higher to £21 following the near-trebled full-year profits, while Bentalls, annual results expected next Tuesday, closed 4 up at 53p. DIY group A. G. Stanley hardened 4 to 47p on second thoughts about the preliminary results, but disappointment with the offer from Maxmillian left Arthur Henriques 9 cheaper at 39p. Wearwell attracted fresh buyers and closed 7 dearer at 127p, while Martin The Newsagent provided a late feature, improving 13 to 168p.

Leading Electricals followed the general downturn, Plessey easing 5 to 232p and GEC 3 to 177p. Among scattered movements elsewhere in the sector, Arcolectric responded afresh to the increased dividend and annual profits, rising 3 to 28p. Favourable Press mention left Amstrad 2 dearer at 124p, but disappointing preliminary figures prompted a fall of a couple of pence to 18p in Audio Fidelity.

Once again, Hawker Siddeley claimed most attention in the Engineering sector, reacting afresh to 453p and rallying to 462p before settling at 455p; this represents a fall of 11 on the day, but a rise of 37 since Tuesday's preliminary figures. Other leaders also gave ground. TI drifted off to finish 6 cheaper at 248p, while Vickers gave up 5 at 159p and GKN eased 4 at 195p. Among smaller-priced secondary issues, Danks Gowerton fell 5 to 23p following the increased half-year loss. On the other hand, scattered buying interest prompted a rise of 3 to 39p in Camford.

Rowntree Mackintosh continued to trade briskly on takeover speculation and closed a net 4 higher at 290p—a four-day gain of 30. Among other leading Foods, Associated British Foods eased 4 to 170p and S. and W. Berisford softened a couple of pence to 198p. Elsewhere, J. E. England shed a penny to 23p following the poor annual results.



Metal Closures up

The Miscellaneous Industrial leaders traded on a subdued note with quotations drifting lower in the absence of support. Bowater ran back 5 to 330p and BOC 4 to 288p, while falls of a few pence were marked against Beecham, 320p, and Boots, 168p. Elsewhere, a revival of speculative buying left Metal Closures 8 to the good at 190p and Press mention prompted a rise of 7 to 152p in Securiguard. Toye responded to the increased annual dividend and profits with a gain of 4 at 94p. MCD hardened a couple of pence to 73p following a broker's circular, but SI Group came on offer after the interim figures and gave up 3 to 55p. Polymark fell 4½ to 14p on the annual loss, while reduced interim profits left Fitzwilton 3 cheaper at 40p, after 39p. Steetley, in contrast, encountered further buying interest at 272p, up 5. Cosalt, helped by option demand, improved 3 to 69p. Comment on the annual results left Brook Street Bureau a couple of pence lower at 70p, but Bodycote International closed 3 firmer at 77p following the increased dividend and higher profits. Still awaiting news of the bid approach, Waterford eased to 41p before settling a penny off on balance at 42p. Christies International, a good market of late, ran back 10 to 396p.

The Leisure sector displayed several noteworthy movements. Leisuretime International put on 10 for a two-day gain of 16 to 62p on speculation about the possible sale of its major asset, the Old Swan Hotel Harrogate. Pavilion Leisure rose 6 to 31p on revived takeover hopes, while late speculative demand lifted Anglia TV "A" 8 to 196p. Grampian TV "A" touched 114p on the good annual results before closing a net 4 up at 110p. Photax (London) added a couple of pence to 66p on the second-half return to profitability.

BL advanced 5 more to 65p, albeit in a restricted market, on further consideration of the reduced full-year pre-tax loss and revived prospects of the float-off of the more profitable divisions such as Jaguar and Unipart. In contrast, York Trailer encountered revived selling in the wake of the annual results and shed 2 more to 32p. Dunlop hardened the turn to 41p after the preliminary results. British Car Auction were quoted 113p ex-the-rights issue; the new nil-paid shares opened at 13p premium and closed at 15p premium.

Publishers again featured Websters which continued to shrug aside last Tuesdays rights issue in favour of excellent annual results and rose 10 to record a three-day advance of 33 to 140p. Fresh demand was evident for William Collins, up 10 at 573p with the "A" shares 20 higher at 495p.

A firm market on Wednesday, Ocean Transport made further progress and touched 136p reflecting Press-inspired talk of a pending offer from European Ferries, but the latter's denial of any interest in Ocean left the close only 2 dearer on balance at 132p. Elsewhere in Shippings, Walter Runciman firmed 6 to 114p after an investment recommendation; the annual results are scheduled for May 15.

Among Textiles, Dura Mill spurted 165 to 280p on hopes of a "shell" operation in the wake of the 225p per share cash offer from Corporate Financial Services.

Japanese orientated issues fared worse among generally easier Investment Trusts. Fleming Japanese, 475p, and Crescent Japan, 152p, gave up 14 and 11 respectively, while smaller falls were noted in Baillie Gifford Japan, 268p, and for G.T. Japan, 151p. In Financials, details of the deal between National Westminster and Bisgood Bishop directed fresh support at fellow stockjobbers Smith Brothers, which closed 7 dearer at 108p.

Saxon Oil advance

Second-line issues provided the highlights in Oils. Saxon Oil jumped 23 to a year's high of 388p stimulated by North Sea exploration hopes and speculative buying. Jackson Exploration advanced 8 to 75p; the poor annual results were offset by the encouraging statement.

Leading domestic oils lacked confidence and generally drifted in quiet trading. BP dipped to 498p before rallying to 505p and closing unaltered at 500p. Falls of 5 were common to LASMO, 328p, and Tricentrol, 203p. Shell settled 3 off at 640p following publication of the annual report.

Ultramar were a vulnerable market throughout the session and ended the day 17 cheaper at 675p.

Irish issues made early progress but failed to attract follow-through support and closed with minor losses on balance. Eglinton Oil, a strong market in recent days, gave up 7 to 135p, after 143p.

Golds gain ground

A strong showing by the bullion price in overnight U.S. markets spilled over into London on Thursday and encouraged modest gains throughout South African Golds. The Gold Mines index rose 3.8 to 683.2—a rise of 9.7 over the week.

Bullion advanced to $390 at one point in New York on Wednesday evening and closed at $385, an ounce in London, a net gain of $7.

The best performance in Golds came from the mines reporting quarterly profits or April dividends. In the latter group ERGO were a firm market and edged up 6 to 675p while the mines to report good quarterly results included Gencor's West Rand Consolidated, 23 to the good at 712p and Leslie and Marievale, which advanced around 14 apiece at 253p and 295p respectively. Hartebeest put on ½ to a 1984 high of £56½. Leslie and Marievale were additionally boosted by rumours of a bullish circular from a leading South African broker.

London Financials showed Rio Tinto-Zinc a further 8 lower at 655p. Gold Fields moved against the general trend, however, edging up a couple of pence to 585p on overseas buying interest.

Coronation Syndicate gave up 3 to 64p despite the encouraging March quarterly profits.

Australians ended the shortened week on a firm note. BH Industries were a particularly strong market and jumped 30 to 375p in response to persistent demand in overnight Sydney and Melbourne markets which followed-through into London.

Demand for Traded Options improved slightly and 3,296 contracts were struck bringing the four-day average to 2,989. A lively two-way business developed in GEC which attracted 503 calls, 332 in the April-180's, and 379 puts. ICI puts were also in demand, recording 774 contracts with 630 done in the July 550's which doubled in price to 10p.

FINANCIAL TIMES STOCK INDICES

	April 19	April 18	April 17	April 16	April 13	April 12	year ago
Government Secs	81.69	81.94	82.03	82.06	82.44	82.66	81.60
Fixed Interest	86.31	86.51	86.30	86.59	86.42	86.46	84.04
Industrial Ord.	880.0	888.6	879.9	878.5	896.5	892.6	692.0
Gold Mines	683.2	679.4	678.3	673.5	673.5	670.5	649.5
Ord. Div. Yield	4.36	4.32	4.35	4.35	4.32	4.30	4.62
Earnings, Yld.% (full)	9.97	9.89	9.91	9.99	9.90	9.89	9.90
P/E Ratio (net) (*)	12.11	12.21	12.21	12.11	12.25	12.27	13.18
Total bargains (Est.)	22,277	22,026	22,434	24,696	24,686	25,015	23,850
Equity turnover £m.	—	320.12	299.95	283.01	320.97	355.21	302.11
Equity bargains	—	17,585	21,175	23,014	20,534	20,023	22,876
Shares traded (mil)	—	140.2	159.6	164.2	177.2	187.8	188.7

10 am 885.1. 11 am 883.7. Noon 882.2. 1 pm 881.2. 2 pm 879.8. 3 pm 878.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026.

*Nil=11.60. † Corrected.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1)	81.66 (18/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (16/3)	85.29 (18/4)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	901.4 (21/3)	770.5 (4/1)	901.4 (21/3/84)	49.4 (26/6/40)
Gold Mines	711.7 (3/2)	530.2 (7/1)	734.7 (15/2/83)	43.5 (26/10/71)

	April 18	April 17
Daily Gilt Edged Bargains	133.7	161.2
Equities Bargains	113.7	137.8
Value	540.7	290.7
5-day Average Gilt Edged Bargains	164.7	166.7
Equities Bargains	132.6	135.5
Value	615.1	599.8

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday April 18, 1984.

Discount Houses	+22.81	Industrial Group	+12.10
Newspapers, Publishing	+24.42	Insurance (Composite)	+11.90
Office Equipment	+22.80	All-Share Index	+11.30
Tobacco	+22.60	Capital Goods	+11.09
Packaging and Paper	+22.25	Metals and Metal Forming	+10.84
Textiles	+21.91	Food Retailing	+10.64
Insurance Brokers	+20.20	[illegible]	+10.22
Gold Mines Index	+18.67	Food Manufacturing	+9.70
Oils	+18.54	Shipping and Transport	+8.90
Brewers and Distillers	+17.70	Property	+7.92
Building Materials	+16.02	Other Groups	+7.25
Mechanical Engineering	+15.70	Other Consumer	+6.48
Overseas Traders	+15.36	Electronics	+6.46
Health and Household Products	+14.96	Investment Trusts	+6.29
Consumer Group	+14.24	Electricals	+5.80
Contracting, Construction	+13.58	Financial Group	+4.32
Other Industrial Materials	+13.05	Banks	+4.00
Property	+13.29	Merchant Banks	+1.01
Mining Finance	+13.00	Chemicals	+1.12
500 Share Index	+12.71	Insurance (Life)	-5.28
Leisure	+12.36		

OPTIONS

First Deal- ings	Last Deal- ings	Last Declara- tion	For Settle- ment
Apr 16	Apr 27	July 26	Aug 23
May 8	May 18	Aug 9	Aug 20
May 21	June 8	Aug 30	Sept 10

For rate indications see end of Share Information Service.

Money was given for the call of Benlox, L & J. Ryman, Cosalt, Fisher, Combined Technologies, Glenfield Lawrence, Associated British Ports, Smith Bros, Royal Bank of Scotland, Sunrise Clothes, Distillers, Premier Oil, Gestetner A, John Brown, Aran Energy, Shell Transport, Marks and Spencer, Chamberlain Phipps and Chloride. A put was taken out in Polly Peck, while a double was transacted in Aspinall, Petranol, Strong and French Kier.

FT - SE 100 INDEX

Close	1108.4	(-7.8)
Day's high	1114.6	(9.35 am)
Day's low	1109.4	(4.53 pm)

Base value = December 30 1983

RISES AND FALLS

	On Thursday Rises	Falls	Same	On the Week Rises	Falls	Same
British Funds	2	82	11	22	276	119
Corpns. Dom. & Foreign Bonds	1	12	68	17	61	242
Industrials	206	269	936	945	1,341	3,363
Financial and Props.	68	153	301	307	627	1,254
Oils	18	33	70	60	123	272
Plantations	7	2	11	15	10	55
Mines	48	22	93	271	245	333
Others	41	82	93	276	245	333
Totals	390	675	1,583	1,840	2,708	6,036

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (82)

BANKS (7) — Allied Irish, Bank of Ireland, Cater Allen, Clive Discount, Jessel Toynbee, King & Shaxson, Seccombe Marshall

BUILDINGS (16) · STORES (7) · ELECTRICALS (5) · ENGINEERING (6) · INDUSTRIALS (18) · INSURANCE (1) · LEISURE (4) · NEWSPAPERS (4) · PAPER (4) · PROPERTY (6) · SHIPPING (2) · TEXTILES (2) · TRUSTS (7) · OILS (5) · PLANTATIONS (1) · MINES (3) — [illegible]

NEW LOWS (45)

BRITISH FUNDS (31) · INT. BK. & O'SEAS GOVT. STLG. ISS. (1) · CORPORATION LOANS (2) · AMERICANS (1) · BUILDINGS (1) · ELECTRICALS (4) · INDUSTRIALS (1) · MOTORS (1) · NEWSPAPERS (1) · OILS (4) · MINES (1) — [illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks Thursday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
AMEC	240	+8	Metal Closures	190	+8
Bowater	330	-5	Petranol	318	+20
Brit. Printing	196	—	RTZ	655	-8
Dura Mill	280	+165	Rowntree Mackintosh	290	+4
Hawker Siddeley	455	-11	Saxon Oil	388	+23
ICI	606	-10	Ultramar	675	-17

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List.

Stock	No. of changes	Wed. close	Day's change	Stock	No. of changes	Wed. close	Day's change
Hawker Sidd'ley	16	466	+14	Brit. Printing	11	196	+7
R'tree Mac'tosh	16	286	+2	Comm. Union	11	217	+1
Bowater	15	335	+7	RTZ	11	663	+11
RMC	15	465	+24	Grand Met.	10	378	+4
ICI	14	616	+8	Steetley	11	267	+7
Ranco Oil New	14	97	+5	Water'd Glass	10	43	—
AMEC	11	232	+7	GEC	10	180	-2

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Wednesday.

Stock	No. of changes	Wed. close	Change on week	Stock	No. of changes	Wed. close	Change on week
Hawker Sidd'ley	58	466	+50	BAT Inds.	36	316	+8
BP	38	500	+10	LASMO	33	333	+7
ICI	79	616	+22	Midland Bank	33	378	+3
Glaxo	68	875	+23	Grand Met.	30	378	+10
RMC	55	465	+57	RTZ	33	663	+11
Unichem	55	465	+57	Comm. Union	31	217	-2
Body Shop New	52	175	+22*	Shell Trans.	29	643	+5
R'tree Mac'tosh	48	286	+22	Woolworth	29	643	+26

* Based on Monday's opening price.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed April 18 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues April 17 Index No.	Mon April 16 Index No.	Fri April 13 Index No.	Thurs April 12 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (202)	522.36	+0.2	8.78	3.54	14.54	521.29	518.87	527.01	523.79	469.77
2 Building Materials (24)	523.55	+1.7	10.33	4.18	12.07	514.82	512.92	518.47	514.37	442.75
3 Contracting, Construction (32)	769.49	+0.7	12.31	4.72	10.16	764.64	766.48	770.45	765.82	773.95
4 Electricals (14)	1725.53	+0.9	7.42	4.22	17.05	1709.75	1703.73	1732.34	1740.03	1743.32
5 Electronics (27)	1775.32	-0.8	8.04	2.14	16.12	1789.41	1774.01	1815.57	1804.77	[illegible]
6 Mechanical Engineering (62)	248.55	+1.1	10.57	4.61	11.68	245.91	242.28	245.25	244.27	216.82
8 Metals and Metal Forming (9)	201.56	+1.2	9.86	6.26	12.91	201.22	199.25	203.67	203.07	174.61
9 Motors (17)	140.23	+0.6	3.14	4.81	—	139.42	140.47	143.62	142.79	181.67
10 Other Industrial Materials (17)	687.42	-0.1	6.35	3.48	19.72	688.21	688.44	700.49	692.52	451.79
21 CONSUMER GROUP (196)	530.23	+0.7	9.44	3.86	12.66	526.63	527.44	537.79	532.57	452.49
22 Brewers and Distillers (23)	519.35	+1.9	11.57	4.65	10.70	509.48	514.65	528.69	528.63	453.24
25 Food Manufacturing (22)	405.86	+0.9	12.92	5.28	8.97	402.26	400.78	406.90	404.59	340.81
26 Food Retailing (12)	1184.58	+0.5	7.10	2.48	18.13	1178.54	1180.96	1200.05	1194.78	899.07
27 Health and Household Products (9)	920.04	+0.4	5.99	2.92	20.39	916.27	921.18	930.77	907.63	664.06
29 Leisure (22)	689.90	+0.2	8.45	4.15	15.25	688.25	686.58	699.95	686.09	546.96
32 Newspapers, Publishing (14)	1348.58	+0.6	7.09	3.83	16.90	1341.06	1335.80	1349.97	1338.42	806.45
33 Packaging and Paper (15)	268.06	+1.4	9.49	4.77	12.92	264.38	264.20	266.47	264.60	196.98
34 Stores (47)	476.07	-0.5	7.51	3.28	18.01	478.59	478.04	489.08	483.56	377.51
35 Textiles (20)	304.57	+0.3	10.29	4.00	11.25	303.54	303.46	308.69	305.43	303.01
36 Tobaccos (3)	646.37	+1.8	16.61	4.95	7.35	634.84	652.51	668.58	654.56	452.54
39 Other Consumer (8)	493.03	+1.2	10.43	4.10	—	487.15	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (88)	455.85	+0.9	9.19	4.20	13.47	451.71	448.72	454.84	449.01	384.12
42 Chemicals (16)	629.15	+1.3	11.10	4.63	11.26	620.83	608.99	613.37	601.96	462.90
44 Office Equipment (5)	135.96	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	872.65	—	8.43	4.85	15.57	872.78	892.81	895.63	893.88	674.60
46 Miscellaneous (51)	612.63	+0.8	7.87	3.59	15.29	607.97	607.91	618.93	613.51	476.17
49 INDUSTRIAL GROUP (485)	521.59	+0.6	9.30	3.86	13.33	518.65	517.61	526.78	522.01	435.05
51 Oils (15)	1125.82	+0.5	11.47	6.01	10.58	1120.32	1112.98	1137.52	1108.05	872.33
59 500 SHARE INDEX	572.22	+0.6	9.66	4.22	12.77	569.06	567.49	577.95	571.89	471.55
61 FINANCIAL GROUP (120)	383.68	+0.2	—	5.33	—	377.77	382.58	[illegible]	[illegible]	[illegible]
62 Banks (6)	383.15	+0.4	23.52	7.08	4.99	381.75	382.20	390.44	369.16	338.85
65 Insurance (Life) (9)	468.78	+0.3	—	6.08	—	467.51	479.31	478.55	478.27	317.54
66 Insurance (Composite) (10)	486.31	—	—	5.43	—	486.35	487.24	499.43	495.97	412.77
67 Insurance (Brokers) (6)	776.22	-0.2	9.14	4.24	15.18	777.66	788.09	786.76	793.83	[illegible]
68 Merchant Banks (12)	247.16	+0.4	—	3.84	—	246.21	247.49	251.23	250.75	171.42
69 Property (53)	580.93	+0.9	5.20	3.44	25.76	575.47	573.17	576.58	573.63	458.52
70 Other Financial (18)	263.80	+0.1	10.64	5.22	11.54	263.52	263.45	265.50	263.85	244.87
71 Investment Trusts (106)	515.81	+0.2	—	3.49	—	514.53	516.52	521.67	516.97	417.34
81 Mining Finance (4)	318.84	-0.2	9.61	4.79	13.33	319.46	317.21	322.14	322.67	280.12
91 Overseas Traders (16)	580.08	+0.2	7.79	6.40	17.66	579.04	580.46	585.42	585.12	448.69
99 ALL-SHARE INDEX (746)	526.47	+0.5	—	4.39	—	524.02	523.02	532.90	526.56	433.71

FIXED INTEREST

PRICE INDICES	Wed April 18	Day's change %	Tues April 17	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	117.70	-0.01	117.71	—	4.10
2 5-15 years	130.21	-0.17	130.43	—	4.70
3 Over 15 years	139.81	-0.21	139.10	—	4.94
4 Irredeemables	152.76	-0.05	152.84	—	1.62
5 All stocks	128.97	-0.12	129.13	—	4.49
6 Debentures & Loans	108.78	-0.16	108.95	—	3.43
7 Preference	77.39	—	77.39	—	[illegible]

AVERAGE GROSS REDEMPTION YIELDS		Wed April 18	Tues April 17	Year ago (approx.)
British Government				
1 Low Coupons	5 years	10.13	10.15	9.34
2	15 years	10.35	10.33	10.14
3	25 years	9.98	9.86	9.76
4 Medium Coupons	5 years	11.20	11.20	10.20
5	15 years	10.80	10.76	10.76
6	25 years	10.28	10.17	10.31
7 High Coupons	5 years	11.20	10.90	11.54
8	15 years	10.95	10.83	10.83
9	25 years	10.31	10.26	10.54
10 Irredeemables		9.78	9.78	9.67
11 Debs & Loans	5 years	11.98	11.43	12.07
12	15 years	11.47	11.42	12.07
13	25 years	11.42	11.42	12.07
14 Preference		12.70	12.70	12.58

† Flat yield. [illegible] are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price p	+ or -	Net Div.	Times Covered	Gross Yield	P/E Ratio
270	100	—	105	99	Assoc Brit Ports	102		[illegible]			
915	F.P.	—	£11	£10	Biotechnology Inv	£10					
95	F.P.	—	195	145	Body Shop	195	+20				
[illegible]	F.P.	—	[illegible]	[illegible]	Burmatex 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	CPS Computer	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Cambium Venture	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	C.J.R. Pacific Inv.	[illegible]					
[illegible]					[illegible]						

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price	+ or -
[illegible]					Border & S'thern 11½% Deb. Stk. 2014	[illegible]	
[illegible]					Brixton Est. 11½pc 1st Mort. Deb. 2023	[illegible]	
[illegible]					[illegible]		
[illegible]					TR City of London 11½pc Deb. 2014	27	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price p	+ or -
[illegible]					A. B. Electronic	[illegible]	
[illegible]					Alcon Internat.	[illegible]	
[illegible]					Alexanders	[illegible]	
[illegible]					Alto N/V	[illegible]	
[illegible]					Bowater	[illegible]	
[illegible]					Brit. Car Auction	[illegible]	
[illegible]					Broken Hill Prop.	[illegible]	
[illegible]					[illegible]		
[illegible]					TSL Thermal Syndicate	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. [illegible]

هكذا من الأصل CK EXCHANGE DEALINGS

PROPERTY

Alliance Prop Hldgs 9½pcDb 1992-97 £86½
Allied London Props 8½pcLn 1999 £143½ (16/4)
Argyle Securities 12pcDb 1993-98 £100¼
Bampton Hldgs 8¼pc1stDb 1988-93 £81½ (17/4). 8¼pcLn 2002-07 £67½ (17/4)
Bampton Prop Gp 7¼pcLn (1991-96) £71 (17/4)
Bradford Prop Tst 10½pcPf (£1) 112 (13/4)
British Land 15pc1stDb 1987 £10¼ (17/4). 12pcLn 2002 £386 7 8 (16/4)
Brixton Estate 11¼pc1stDb 2023 (£25 pd) £27½ (16/4)
Capital Counties 9¼pcLn 1991-96 £90¼
Charlwood Alliance Hldgs 8¼pc1stDb 1995-98 £80 (16/4)
Country and New Town Props (10p) 98 9 100

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

AOG Minerals 15ø (13/4)
Aberfoyle 417ø
Abrolhos Oil Inv 7 (13/4)
Acmex Hldgs 75
Admiral Mines 16 (13/4)
Adobe Oil Gas £15¼ (17/4)
Agnico-Eagle Mines 942ø (16/4)
Allied Hldgs 245ø (17/4)
Alliance Oil Devel 47½ø 80 9
Amatil 227 (13/4)
American Home Prods £36ø
Amsterdam-Rotterdam Bk £17ø 17
Ashton Mining 75ø

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any stock exchange

Panther Secs 50 75 (16/4)
Red Rose Radio (10p) 25 (13/4)
Do. A NV (10p) 22 (13/4)
Sinclair Research £38 1 (17/4)
Southern Newspapers (£1) 225 6½ 7
Stead Simpson 4½pcPerp £34pc 7pc (17/4)
Weetabix A (NV) (5p) 98 9 (16/4)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Ex (I£0.25) 7 (13/4)

(By permission of the Stock Exchange Council)

COMPANY NEWS IN BRIEF

The Swedish insurance group Skandia Insurance Group and Moorgate Mercantile Holdings have combined to launch a new company, Mercantile Assurance Services. Skandia will hold 75 per cent of the equity and Moorgate 25 per cent.

This joint venture will market a new range of medical and personal insurance policies which will be underwritten by Moorgate Mercantile's insurance subsidiary Pinnacle Insurance Company.

The medical expenses insurance market has been expanding rapidly in recent years with commercial insurance companies moving into a field that was dominated by the provident societies. MAS is aiming at the upper section of the market able to meet the cost of minor private medical treatment, but concerned about the overall premium cost.

The new company will also be marketing a new style range of credit instalment protection policies—Pinnacle's traditional business.

Mr Stewart Cohen, deputy chairman of Skandia Life, is the chairman and chief executive of MAS. He is confident that the new product range will enable the more innovative intermediaries to develop new markets.

* * *

A return to profits was made by Pholax (London) in the second half of 1983 resulting in a substantially reduced full year taxable loss of £22,000, compared with £296,000.

The profit amounted to £57,000 and was achieved in spite of price increases stemming from sterling's weakness against both the Japanese and German currencies.

Further, profits have been achieved in the first quarter of the current year on the back of an 8 per cent rise in sales and better margins.

Sales for 1983, of this photographic equipment manufacturer and importer, amounted to £5.96m, against £4.78m, with the second half accounting for £3.04m (£2.47m) of the total.

The loss per share is shown as 3.4p (9.5p) after a £10,000 (£161,000) tax credit. There is no dividend compared with 3.5p previously.

On a CCA basis the loss after tax comes out at £164,000 (£176,000).

* * *

Cray Electronics Holdings has acquired all the shares in Cray held by Capital For Industry. The offers have become fully unconditional and remain open for acceptance until further notice.

* * *

Hawley Group has exercised its two call options in respect of a total of 10,196,100 ordinary in Nu-Swift Industries pursuant to its option agreement with European Fire Protection Holding BV. The sole shareholder of which, is Mr J. G. Murray, chairman of Nu-Swift.

Hawley is now interested in 13,195,600 Nu-Swift shares (29.99 per cent), and Mr Murray's beneficial share holding decreases from 61.36 per cent to 38.19 per cent.

* * *

The cash offer by Mr P. Nash and Mr J. Alexander to acquire all of the ordinary shares of C. A. Sperati not already owned by the nhas now closed. Acceptances have been received on account of 3,550 ordinary shares, (3.65 per cent).

Accordingly, P. Nash and J. Alexander now hold a total of 63,068 ordinary shares (63.1 per cent). P. Nash has joined the Sperati board.

* * *

James Wilkes has sold to Data Memories for a nominal consideration, paid in cash on completion, its subsidiary Wilkes Computing, which is engaged in the marketing of computer hardware, associated with software and terminals.

The assets disposed of amounted to approximately £340,000 which may involve James in an extraordinary loss in the order of £375,000. Data Memories has agreed that Wilkes Computing shall repay to James Wilkes £230,000 of inter company debts; £70,000 was paid on completion and the balance will be repaid in monthly instalments over the next 10 months to set-off in respect of book debts which become overdue for more than 120 days.

Wilkes Computing made a loss before tax of £442,782 in 1983. As a result of the disposal, all loss-making activities of the James Wilkes Group have been eliminated.

Wilkes' new wholly-owned subsidiary, Deritend Engineering (1983), which was formed in October 1983, has disposed of property in Birmingham for £171,000 (book value at December 31, 1983 was £149,575), which was satisfied in cash on completion.

Deritend Engineering GmbH, of which James Wilkes is the ultimate holding company, has also disposed of land in Germany for DM 468,920 (£120,000) which will be payable in cash on completion. Completion is expected to take place within the next four weeks. At December 31 1983 the book value was DM 253,833 (£64,180).

* * *

Pre-tax profits of New London Properties, a wholly owned subsidiary of Pearl Assurance, were little changed at £2.44m in 1983, compared with £2.39m. Turnover improved from £3.76m to £4.41m.

After increased tax of £674,000 (£578,000) earnings per 25p share were down from 52.54p to 43.98p. A final dividend of 12p makes a total of 18p (16.25p).

* * *

There were indications that British Vita would show improvement in profit levels in most of its operations in the first quarter of 1984, the chairman told the annual meeting.

The overall performance of the group's international operations was ahead of last year, he said.

Caligen, the group's polyester foam company, is to acquire additional factory space in Accrington to expand its present operations and consumer range of products.

Vita-Tex, its fabric company in Slough and Newbury, has acquired the warp knitting assets of J. S. Small and Tidmas in Barnstaple with turnover of about £3.5m.

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*505)	390	117	125	—	0¼	3	—
	420	87	93	105	0¼	4	8
	460	47	57	65	0½	10	17
	500	8	28	40	6	20	28
Cons. Gold (*584)	460	127	137	—	0¼	2	—
	500	87	102	112	0¼	6	9
	550	37	67	74	2	18	22
	600	5	35	42	22	40	45
	650	1½	15	23	70	75	84
Courtaulds (*147)	100	48	51	—	0½	1	—
	110	38	41	—	0½	1	—
	120	28	31	—	0½	2	—
	130	18	24	28	1	3	4
	140	8	16	20	1½	6	8
	160	1½	6	9	13	16	18
Com. Union (*216)	140	77	81	-	0¼	1½	—
	160	57	61	65	0¼	2	3
	180	37	42	45	0¼	4	6
	200	17	27	29	0¼	7	12
	220	4	16	19	7	15	20
	240	1½	7	12	25	28	31
G.E.C. (*178)	160	18	26	36	1	3	5
	180	3	14	21½	5	12	15
	200	1	8	13	26	26	27
	220	1	4	8	46	46	47
	240	1	—	—	—	—	—
Grand Met. (*332)	275	59	64	72	1	2½	3
	300	34	42	52	1	5	9
	325	10	—	—	2	—	—
	330	—	22	30	—	15	22
	360	1½	9	14	30	36	40
I.C.I. (*610)	500	110	—	—	1	—	—
	550	60	72	76	2	10	16
	600	12	34	40	4	24	34
	650	1	12	20	42	52	60
Land Sec. (*285)	240	44	48	54	2	2	4
	257	27	32	—	1½	4	—
	260	24	30	37	2	6	9
	280	4	16	24	5	14	17
	300	1½	9	14	19	27	30
Marks & Sp. (*246)	220	27	36	41	1	3	4
	240	7	21	26	1½	7	9
	260	1½	12	15	15	17	20
	280	0½	5	8	35	36	39
Shell Trans. (*640)	550	93	100	—	0¼	3	—
	600	43	57	68	1	8	16
	650	5	28	38	13	25	35
	700	2	12	18	62	65	75

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays (*477)	420	62	—	—	1	—	—
	460	27	50	62	6	15	23
	500	7	25	40	30	35	45
	550	2	12	22	77	77	82
Imperial Gp. (*145)	120	27	—	—	1	—	—
	130	17	23	—	1½	3	—
	140	7	16	20	4	6	8
	160	1	4½	8	17	19	21
LASMO (*328)	260	72	85	—	2	6	—
	280	52	65	78	2	10	9
	300	32	50	58	5	14	18
	330	8	32	38	12	25	30
	360	4	18	27	35	45	48
	390	3	—	—	—	—	—
Lonrho (*140)	110	30	35	—	1	1	—
	120	20	24	—	1	2	—
	130	11	16	—	1	3	—
	140	5	11	15	5	9	11
	160	1	3½	6	22	23	24
P. & O. (*304)	240	65	77	—	2	2	—
	260	46	57	66	2	3	4
	280	27	42	50	2	7	11
	300	10	28	37	7	14	19
	330	2	13	20	27	34	38
Racal (*212)	180	34	44	—	1	3	—
	200	15	28	36	3	8	12
	220	5	15	22	16	20	24
	230	2	—	—	—	—	—
	250	1½	—	—	—	—	—
R.T.Z. (*654)	550	110	120	-	1½	3	—
	600	60	77	—	2	8	—
	650	25	47	57	15	30	35
	700	4	16	27	52	62	66
Vaal Reefs (*$132)	100	32½	35½	—	0¼	2	—
	110	25	26	-	1	3	—
	120	14	18½	22½	1½	5¼	6½
	130	5	12½	15	4	9	11
	140	2	7½	10	10½	16	17½

Option		Calls June	Calls Sep.	Calls Dec.	Puts June	Puts Sep.	Puts Dec.
Beecham (*521)	280	45	55	—	2	5	—
	300	30	43	50	4	7	10
	330	13	20	30	20	23	25
	360	4	8	14	43	47	45
Bass (*350)	300	58	63	—	2	4	—
	330	30	37	47	6	10	17
	360	12	22	30	20	27	35
	390	5	9	14	47	52	57
De Beers (*$770)	750	60	90	115	20	27	45
	800	30	60	80	42	60	70
	850	17	37	55	87	100	105
	900	7	22	—	130	140	—
Guest Keen (*196)	160	41	44	—	1½	3	—
	180	21	28	—	3	6	—
	200	9	16	24	10½	15	17
	220	3	8	12	26	28	29
Hanson (*193)	147	53	—	—	2	—	—
	160	38	43	—	1½	2	—
	173	27	32	—	2	4	—
	180	23	28	34	4	6	9
	187	16	23	—	7	10	—
	200	11	15	20	14	17	20
Tesco (*178)	160	22	27	—	3	3	—
	180	9	14	18	9	12	14

Apr. 19. Total Contracts 3,296. Calls 1,836. Puts 1,460
*Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	140	5	19	13	—	—	$385.40
GOLD C	$425	—	—	12	6	—	—	"
		June		Sept.		Dec.		
SILVER C	$7	—	—	2	2.75	—	—	$9.38
SILVER C	$8	2	1.55	2	1.80	—	—	"
SILVER C	$9	—	—	3	1.20	—	—	"
SILVER C	$10	7	0.25	1	0.60	—	—	"
SILVER C	$11	100	0.15	7	0.25	—	—	"
		April		July		Oct.		
ABN C	F.380	28	2.50	11	11	—	—	F.380
ABN C	F.440	—	—	47	1.80	55	4	"
AKZO C	F.80	101	16.40	22	17.70	—	—	F.96.90
AKZO C	F.90	357	6.30	48	9.90	7	14	"
AKZO C	F.100	271	0.30	216	5.40	27	7.70	"
AKZO C	F.110	—	—	179	2.90	214	4.50	"
AKZO C	F.120	—	—	122	1.50	18	3	"
AKZO P	F.80	—	—	43	1	—	—	"
AKZO P	F.90	10	0.30	121	3.10 B	17	4.70	"
AKZO P	F.100	382	6.70	329	8.40 B	62	9.50	"
AKZO P	F.110	147	16 B	63	17.50	5	16	"
AKZO P	F.120	155	27	2	26	5	26.50	"
AMRO C	F.70	55	0.80	8	3.80 B	9	5.50	F.70.50
AMRO C	F.75	—	—	48	2	2	3.60	"
AMRO P	F.70	92	0.70	10	3.30 B	—	—	"
AMRO P	F.75	31	5	9	6.50	10	8	"
HEIN C	F.120	10	8.70	31	14	—	—	F.128
HEIN C	F.130	53	1.40	92	9.50	6	11.50	"
HEIN C	F.140	6	0.10	268	5.40	2	7.50B	"
HEIN C	F.150	—	—	85	2.90	1	6.50	"
HEIN C	F.160	—	—	78	1.80	1	3.90	"
HEIN P	F.120	—	—	95	3.40	—	—	"
HEIN P	F.130	255	2.80	275	7.50	4	8	"
HEIN P	F.140	112	13	95	15.70	—	—	"
HEIN P	F.150	30	23	22	24	—	—	"
HOOG C	F.48.30	33	0.30 B	22	3.50	2	4.10B	F.47.70
HOOG C	F.153.20	70	0.10	14	1.80	15	3.50	"
KLM C	F.180	106	0.50	13	10	—	—	F.174
KLM C	F.210	—	—	33	3	2	7.50	"
KLM P	F.170	31	0.90	34	7.50	—	—	"
KLM P	F.180	67	7.10	—	—	1	17B	"
NATN C	F.240	—	—	52	2	8	4	F217
NATN P	F.200	—	—	32	—	—	—	"
NATN P	F.202	29	4	10	10 A	—	—	"
PETR C	Fr.7500	60	350	—	—	—	—	F.79.40
PHIL C	F.40	17	8.10	48	8.60 B	20	9.60	F.48.20
PHIL C	F.45	541	3.40	353	4.60	26	6.60	"
PHIL C	F.50	379	0.30	357	2.50	105	4.30	"
PHIL P	F.45	10	0.10	364	1.60	90	2.50	"
PHIL P	F.50	149	2.60	95	4.10	117	4.80	"
RD C	F.130	86	25.10 B	2	25.20	—	—	F.155.10
RD C	F.140	167	15.30	151	16	8	18.50	"
RD C	F.150	495	5.20	74	9.30	20	11.80	"
RD C	F.160	545	0.30	182	4.60	59	7.20 B	"
RD C	F.170	10	0.10	62	1.50	66	4.10	"
RD P	F.130	—	—	41	0.60	—	—	"
RD P	F.140	—	—	23	1.60	34	4.10	"
RD P	F.150	33	0.20	245	5.30	1	8	"
RD P	F.160	8	5 B	367	11.80	—	—	"
UNIL C	F.260	216	0.10	22	8.30	—	—	F264.20
UNIL P	F.260	25	7	31	15	—	—	"

TOTAL VOLUME IN CONTRACTS 13,637

A=Ask B=Bid C=Call P=Put

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

هكذا صن الأهل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum.	135.5	142.7	+0.3	—
Do. Initial	129.9	136.8	+0.3	—
Universal Tec. Acc.	90.9	95.7	+0.4	—
Do. Initial	89.7	94.5	+0.4	—
Man. Pens. Accum.	273.4	287.8	......	—
Do. Initial	222.0	233.7	......	—
Gilt-Edg. Pens. Accum.	221.8	233.5	......	—
Do. Initial	173.0	182.2	......	—
Money Pens. Accum.	195.6	205.9	......	—
Do. Initial	154.7	162.9	......	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	259.71		......	—
Managed Inv. Fd.	173.99	183.15	......	—
Property Fd.	154.00	162.11	......	—
Fixed Interest Fd.	151.41	159.38	......	—
Cash Fd.	138.81	146.12	......	—
Income Fd.	200.96	211.54	......	—
Extra Income Fd.	189.93	199.93	......	—
Worldwide Growth Fd.	228.65	240.69	......	—
Balanced Fd.	201.20	211.79	......	—
Smlr Co's & Recv. Fd	230.27	242.39	......	—
Int. Technology Fd	264.05	277.95	......	—
Nth. Amer. & Gen. Fd.	146.34	154.05	......	—
Energy Int. Fd.	111.19	117.05	......	—
Pacific Basin Fund	164.81	173.49	......	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	122.0	128.4	......	—
Property	125.6	132.2	......	—
Equity	133.1	140.2	......	—
International	135.6	142.8	......	—
Fixed Interest	107.2	112.9	......	—
Deposit	102.1	107.5	......	—
Managed Pen. Cap.	121.7	128.1	......	—
Property Pens. Cap.	127.0	133.7	......	—
Equity Pens. Cap.	128.0	134.8	......	—
Intnl. Pens. Cap.	140.3	147.7	......	—
Fixed Int. Pens. Cap.	102.2	107.6	......	—
Deposit Pens. Cap.	98.6	103.8	......	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		103.6		
Retmt. Fed. April 6	296.3		+21.1	—

[illegible]

G.T. Plan Bond Fund	127.4	134.3	......	—
GT Pln High Yld Fnd	136.4	143.6	−0.4	—
GT Plan Far East Fnd	139.0	146.4	−1.1	—
GT Plan N. Am. Fd.	118.9	125.2	......	—
GT Pln UK&G.E. Fnd	158.0	166.4	−0.5	—
GT Pln Wrldwde Fnd.	150.2	158.2	......	—
GT Pension Bnd Fnd.	139.3	146.7	......	—
GT Pen High Yld Fd	158.1	166.5	−0.6	—
GT Pen Far East Fd	175.4	184.7	−1.4	—
GT Pen N. Am. Fd.	169.0	177.9	......	—
GT Pen UK & G.E. Fd.	184.8	194.6	−0.5	—
GT Pen Worldwide Fd.	161.0	169.5	......	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	173.6	182.8	......	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		268.5	......	—
Portfolio Fd. Init.		217.5	......	—

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655.

Managed Fd.	285.9	301.3	......	—
Money Fd	158.8	167.2	......	—
Equity Fd.	242.8	255.9	......	—
Fixed Int. Fd.	121.9	128.5	......	—
Property Fd	176.2	185.7	......	—
Managed Pen. Fd.	281.9	297.0	......	—
Equity Pension Fd	181.4	191.3	......	—
Fixed Int. Pen. Fd	171.7	180.9	......	—
High Yield Pen. Fd.	169.1	178.2	......	—
Money Pension Fd.	133.1	140.1	......	—
Property Pension Fd	129.9	136.9	......	—
Gresham/Framlington				
American & Gen. Fd.	224.7	236.8	−0.5	—
Income Fd	219.7	231.5	−0.5	—
Int'l. Growth Fd.	268.5	282.9	−0.9	—
Capital Fund	228.0	240.3	−0.6	—
Recovery Fund	166.8	175.8	−0.6	—
Japan & Gen Fd	104.6	110.2	−1.2	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ♥ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

			Fin. 13% 97/02	£92¾	......
Albany Inv 20p	83	......	Alliance Gas	70	......
Craig & Rose £1	900	......	Arnott	220	......
Finlay Pkg. 5p	54	......	CPI Hldgs.	82	......
Higsons Brew	103	+3	Carrol Inds.	129	+1
Holt (Jos) 25p	890	......	Hall (R. & H.)	58xd	......
IoM Stm. £1	149	−1	Helton Hldgs.	18	......
			Irish Ropes	53	......
IRISH			Jacob (W. & R.)	65	......
Exch. 12% 1985	£93⅞xd	......	TMG	50	......
Nat. 9¾% 84/89	£87½	......	Unidare	70	......

OPTIONS — 3-month call rates

Industrials		Hawker Sidd	58	Vickers	14
Allied-Lyons	15	Hse of Fraser	26	Woolworth Hldg	50
BOC Grp	27	ICI	42		
BSR	26	'Imps'	12	**Property**	
Babcock	17	ICL	7½	Brit Land	11
Barclays Bank	45	Ladbroke	23	Cap Counties	16
Beecham	32	Legal & Gen	45	Land Secs	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	'Lots'	3	Samuel Props	12
Brit Aerospace	20	Lucas Inds	28	Sterling Guar.	4
BAT	15	'Mams'	14		
Brown (J.)	5	Marks & Spcr	20	**Oils**	
Burton Ord	22	Midland Bk	36	Brit. Oil & Min	9
Cadburys	11	NEI	10	Brit Petroleum	35
Comm Union	16p	Nat West Bk	50	Burmah Oil	17
Courtaulds	11	P & O Dfd	25	Charterhall	9
Debenhams	14	Plessey	29	Premier	6
Distillers	22	Racal Elect	23	Shell	55
Dunlop	5	RHM	6	Tricentrol	20
FNFC	6¼	Rank Org Ord	24	Ultramar	40
Gen Accident	42	Reed Intnl	40		
Gen Electric	16	Sears	6	**Mines**	
Glaxo	70	TI	22	Charter Cons	24
Grand Met	30	Tesco	16	Cons Gold	58
GUS 'A'	55	Thorn EMI	55	Lonrho	12
Guardian	50	Trust Houses	18	Rio T Zinc	60
GKN	20	Turner Newall	10		
Hanson Tst	17p	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Int. Yield	Red. Yield
101	101¼	Treas 12pc 1984	101	+	11.85	8.78
105¼	104	Treas. 15pc 1985	104	+	14.34	9.09
102¾	102¼	Exch. 12pc Cnv. '85	102	–	11.71	9.15
94	93	Treas 3pc 1985	94 xd	.....	3.16	8.10
102	101	Treas 11½pc 1985	102	.....	11.24	9.44
99¾	98¼	Treas 8¼pc Cnv '85	98	.....	8.85	9.58
104	102	Exch. 12¼pc 1985	103 xd	–	11.83	9.79
103	102	Exch. 11¼pc '86	103	+	11.39	9.78
102	100	Treas. 10pc Cnv 1986	100½	–	9.95	9.71
90¼	88¼	Treas 3pc 1986	89¼ xd	.....	3.36	8.77
102	100	Exch. 10½pc Cv '86	100 xd	.....	10.40	10.02
104	102½	Treas 13pc 1986	103	.....	11.61	10.17
98¾	97	Treas 8¼pc 1984-86‡‡	97	.....	8.73	9.82
108	107	Exch. 14pc 1986	108 xd	–⅛	12.94	10.25
87¼	85	Exch. 2½pc 1986	85 xd	.....	2.91	8.71
107	106	Exch. 13¼pc 1987	106¾	–⅛	12.41	10.33
100	98	Treas 10¼% Cv '87	99	–⅛	10.28	10.34
86¼	83	Exch 2½pc 1987	84	.....	2.98	8.97
101	99⅛	Exch. 10½pc 1987	100⅛	–	10.49	10.44
92	90¾	Funding 6½pc '85-87‡‡	91⅛ xd	–	7.13	9.97
99⅝	97	Treas. 10pc 1987	98⅝	–⅛	10.14	10.50
85	82¼	Treas 3pc 1987	82¼	.....	3.63	9.28
105	103	Treas. 12pc 1987	104 xd	–	11.52	10.55
94⅞	92	Treas 7¾pc 1985-88‡‡	92	–⅛	8.34	10.02
100¾	99	Exch 10½pc '88	99⅞ xd	–⅛	10.51	10.55
98	96¾	Treas 9¾pc Cv '88	97	–	10.01	10.54
82	79⅛	Transport 3pc '78-88	79⅛	–⅛	3.79	9.08
96	94	Treas. 9½pc '88	96 xd	–	9.88	10.60
106¾	100⅝	Treas 11½pc 1989	103⅛	–	11.15	10.63

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Int. Yield	Red. Yield
103	99⅛	Treas. 10½pc 1989	102½	.....	10.62	10.78
100	96¾	Exch. 10pc 1989	99½	.....	10.39	10.94
70	69	Do. 10pc '89A (£70pd)	69	–⅛	10.37	10.92
85⅛	80⅞	Treas 5pc 1986-89	80⅞	–⅛	6.19	9.57
112¼	107⅝	Treas 13pc 1990‡‡	111½	.....	12.02	11.03
110⅞	105¼	Exch. 12½pc 1990	107¼	+⅛	11.75	10.99
93¼	90½	Treas 8¼pc 1987-90‡‡	92⅛	–⅛	9.24	10.66
98	90⅝	Treas. 10pc Cv 1990	97¾	–⅛	10.41	10.84
107	102⅞	Treas 11¾pc 1991	105¾	–⅛	11.46	11.18
84⅛	79¼	Funding 5¾pc '87-91‡‡	79⅛	–⅛	7.29	10.09
105¾	99⅞	Exch. 11pc 1991	99⅞ xd	–⅛	10.99	10.99
112⅝	107⅝	Treas 12¾pc 1992‡‡	111¼	–⅛	11.79	11.13
100⅝	94⅝	Treas 10pc 1992	97¾	–⅛	10.40	10.72
111¼	104⅛	Exch. 12¼pc '92	107⅞	–⅛	11.60	11.20
117½	110	Exch 13½pc 1992	112⅝	–¼	12.10	11.31
113⅞	107¾	Treas 12½pc 1993‡‡	110⅝	–¼	11.65	11.19
78¾	75	Funding 6pc 1993‡‡	75	.....	8.06	10.30
121¾	113⅝	Treas 13¾pc 1993‡‡	113⅝ xd	–¼	11.97	11.18
126¾	118⅝	Treas 14½pc 1994‡‡	121¾	–¼	12.10	11.13
129⅝	113	Exch 13½pc 1994	113 xd	–⅛	11.92	11.26
114¼	106⅝	Exch. 12½pc 1994	109⅝	–⅛	11.61	11.22
94½	89¼	Treas 9pc 1994‡‡	89¼ xd	–⅛	10.02	10.63
109¼	104⅞	Treas 12pc 1995	107¾	–⅛	11.47	11.24
64¼	62¼	Gas 3pc '90-95	62¼ xd	–⅛	4.82	8.29
99⅛	95⅝	Exch. 10¼pc 1995	97½	–⅛	10.79	11.03
117⅞	109¾	Treas 12¾pc 1995‡‡	109¾ xd	–¼	11.52	11.09
122⅝	117¾	Treas. 14pc '96	120¾	–¼	11.93	11.28
94⅛	88¾	Treas 9pc 1992-96‡‡	89⅝	–¼	10.14	10.68
134⅞	125¼	Treas 15¼pc 1996‡‡	125¼ xd	–¼	12.07	11.22
122¼	113¾	Exch 13¼pc 1996‡‡	113¾ xd	–¼	11.55	11.03
69½	66¼	Redemption 3pc 1986-96	66½	–¼	4.52	7.12
120	115⅜	Treas 13¼pc 1997‡‡	117⅞	–¼	11.55	11.06
104½	97¼	Exch 10½pc 1997	99¼	–¼	10.76	10.84
92½	86⅞	Treas 8¾pc 1997‡‡	87¾	–⅛	10.11	10.64
134⅝	125⅝	Exch. 15pc 1997	125⅝ xd	–⅛	11.91	11.22
95½	93¼	Exch. 9¾pc 1998	93¾	–⅛	10.50	10.75
78	73⅛	Treas 6¾pc 1995-98‡‡	73⅛ xd	–⅛	9.17	10.36
138⅝	130½	Treas. 15½pc '98‡‡	131⅝	–¼	11.85	11.15
115	106¾	Exch. 12pc 1998	106¾ xd	–⅜	11.13	10.92
96	93	Treas 9½pc 1999‡‡	94⅝	–⅛	10.31	10.55
116¾	109⅞	Exch. 12¼pc 1999	110⅛	–¼	11.18	10.93

Over Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Int. Yield	Red. Yield
104½	97⅝	Treas. 10½pc 1999	97⅝ xd	–¼	10.66	10.71
102½	96	Convers'n 10¼pc 1999	96 xd	–¼	10.57	10.66
121½	117¼	Treas. 13pc 2000	119⅜	–¼	11.21	10.88
126½	119¾	Treas. 14pc '98-01	119¾ xd	–¼	11.60	11.08
113⅛	109¼	Exch. 12pc '99-02	110⅞	–¼	11.11	10.89
98⅞	97⅛	Conv. 10pc 2002	97⅜	–¼	10.29	10.35
126¼	122⅝	Treas. 13¾pc 2000-03	124⅞	–¼	11.35	10.93
114⅞	107⅝	Treas. 11½pc 2001-04	108¾	–¼	10.67	10.50
50	48⅝	Funding 3½pc '99-04	48⅞	–⅛	7.30	9.22
123⅝	115¼	Treas. 12½pc 2003-05	115¼ xd	–¼	10.74	10.52
87¼	83	Treas. 8pc 2002-06‡‡	83⅜	–⅛	9.63	9.89
115⅝	110⅞	Treas. 11¾pc 2003-07	113⅛	–¼	10.65	10.47
132¼	124¼	Treas. 13½pc '04-08	125¼	–¼	10.86	10.55
64⅞	60¾	Treas. 5½pc 2008-12‡‡	61½	–⅛	9.03	9.50
84⅛	81⅜	Treas. 7¾pc 2012-15	82⅝	–⅛	9.59	9.71
124½	120⅛	Exch. 12pc '13-'17	122¼	–¼	10.17	10.07

Undated

1984 High	Low	Stock	Price £	+ or –	Int. Yield	Red. Yield
40⅞	39⅞	Consols 4pc	40½	.....	10.09	—
37⅜	36⅛	War Loan 3½pc‡‡	36¼	.....	9.89	—
44⅞	42¾	Conv. 3½pc '61 Aft.	44¼	.....	7.94	—
31⅝	30	Treas. 3pc '66 Aft.	30⅛	.....	10.00	—
25¾	25⅛	Consols 2½pc	25¼	.....	9.94	—
26	24⅝	Treas. 2½pc	25	–⅛	10.05	—

Index-Linked

1984 High	Low	Stock	(b)	Price £	+ or –	(1)	(2)
104¾	101⅝	Treas. 2pc '88	(297.1)	103	–⅛	3.64	4.47
91⅛	87½	Do. 2pc '90	(333.9)	89¾	.....	3.66	4.24
106⅛	101½	Do. 2pc '96	(267.9)	105⅜	.....	3.33	3.62
98¾	96	Do. 2½pc '99	(322.9)	97 xd	–¼	2.78	3.03
97¾	92¾	Do. 2½pc '01	(308.8)	96¼	.....	3.17	3.39
96½	92½	Do. 2½pc '03	(310.7)	94⅝ xd	.....	3.17	3.38
99½	95⅝	Do. 2pc '06	(274.1)	98¾	.....	3.09	3.27
510	92⅛	Do. 2½pc '09	(310.7)	94⅝ xd	.....	3.04	3.21
102⅞	96¾	Do. 2½pc '11	(294.1)	99⅞	.....	3.05	3.21
92⅞	89¾	Do. 2½pc '16	(322.0)	91⅞	.....	3.00	3.14
92	87¼	Do. 2½pc '20	(327.3)	89¼ xd	.....	2.97	3.10

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parenthesis show RPI base month for indexing, ie 8 months prior to issue. RPI for August, 1983: 338.0 and for March, 1984: 345.1.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1984 High	Low	Stock	Price £	+ or –	Int. Yield	Red. Yield
29¼	25	Asian Dev Bk 10¼pc Ln2009	27⅞	–	11.40	11.48
120½	114⅞	Australia 13½pc 2010	119	.....	11.63	11.56
104¾	99⅞	Do. 11¾%Ln2015	99¼ xd	.....	11.38	11.37
101½	95¾	Euro Inv Bk 11pc Ln 2002	98½ xd	.....	11.26	11.28
108⅞	106⅞	Finland 14½pc Ln 1986	107	–	13.46	10.21
110⅞	103⅞	Int-Am Dev Bk 12½pc 2003	109½	+	11.79	11.69

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

مكتبة الملك

FINANCIAL TIMES

Saturday April 21 1984

MAN IN THE NEWS

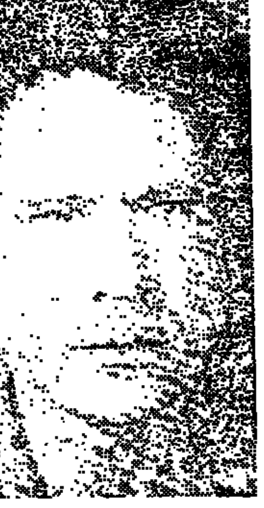
Bedouin without hypocrisy

BY ROGER MATTHEWS

TO THE late President Sadat of Egypt he was "the mad Bedouin boy"; to President Reagan he is a "terrorist"; to Alexander Haig, the former U.S. Secretary of State, a "cancer." But to the people of Libya he is officially "the supreme thinker and guide."

The one sure thing about Muammer Gadaffi is that he is a Bedouin. The Libyan leader, who manages to seize world headlines with a regularity which belies the size or population of his country, was born to nomadic parents who eked a modest living from their sheep and goats but were educationally ambitious for their children.

Gadaffi began his formal education at a Koranic school in the small town of Sebha at the age of 15. The early influences of the harsh, ascetic life in the desert and the basic teachings of Islam have never lost their grip on him.



Gadaffi . . . messianic sincerity

Unlike some Arab leaders, there appears to be little hypocrisy in the life style that Gadaffi preaches and that which he follows. He neither smokes nor drinks, builds no palaces, is untainted by accusations of corruption, and his shows of vanity are limited to occasional appearances in over-embellished military uniforms.

Yet, somewhere along the road from secondary school to military academy and then on to signals training at Beaconsfield in England, the "supreme thinker" was taking shape.

President Nasser's revolutionary broadcasts from Cairo made an early impact, as did the teachings of the Koran, but there is little evidence to illustrate the processes which led to "The Green Book" and the "Third Universal Theory."

These blueprints for Libyan and world society appear to owe something to Marx and to Hegel but the methods by which they were to be enacted looks to be pure Gadaffi. And, what is more important, Gadaffi remains convinced by his own ideas.

Few people who have met and talked to Gadaffi have doubted his almost messianic sincerity and his capacity for personal charm. "He has a certain simplicity, deep Bedouin cunning, a fascination with ideas and with the power of money to buy the things that modern technology can provide," said one former diplomat.

One of his first international acts on coming to power in 1969 was to offer to buy the atomic bomb from the Chinese. He retains a fascination for submarines, and bought at massively inflated prices large quantities of sophisticated "terrorist" equipment from American CIA agents during the later part of the 1970s.

Gadaffi should by now be a disappointed man for little of what he has preached appears to have been absorbed by Libyan society, despite the wholesale changes to its structure.

While Gadaffi shows little sign of abandoning his revolutionary fervour, his reaction to criticism has become ever less tolerant. He publicly proclaims his determination to hunt down and eliminate Libyan dissidents abroad, statements which encourage his disciples to behave as they did in London's St James's Square this week.

However, the fervour and the international excesses are always tempered by caution. Gadaffi has never pursued the causes he supports beyond the point where they threaten to rebound on his own domestic security. Despite the accusations, Gadaffi shows little sign of being either "mad" or a "supreme thinker." Like most politicians who survive nearly 15 years as head of state he is calculating, opportunistic, sometimes ruthless, and, above all, a clever manipulator of people.

Stock rebuilding lifts U.S. economy

BY STEWART FLEMING IN WASHINGTON

A SURGE in companies rebuilding their stocks lifted the growth of the U.S. economy to a real annual rate of 8.3 per cent in the first quarter, the Commerce Department reported in Washington.

However, both government and private economists predict a significant slowing down in the pace of expansion in the second quarter.

Mr Martin Feldstein, chairman of the President's Council of Economic Advisers, predicted that growth will ease to an annual rate of between 3 and 5 per cent in the current quarter. Asked about the implications of the first-quarter growth for the Federal Reserve's monetary policy, Mr Feldstein said: "There is nothing here that would make me want to change policies."

The first quarter figures, released on Thursday, show a considerable expansion in the pace of economic activity compared with the fourth quarter of 1983, when gross national product rose at a real annual rate of 5 per cent. The Commerce Department estimated that the rate of inflation in the first quarter, measured by the fixed-weighted price index, was 4.7 per cent, compared with 4.2 per cent in the fourth quarter. Government officials found reassurance in that the rate for the latest period was not higher.

The composition of the GNP increase is helping to reinforce *expectations of a second quarter* slowdown. In the first quarter, companies made big efforts to rebuild stocks which had fallen to record lows in the face of heavy demand.

The Commerce Department said that real business inventories increased at an annual rate of $26.6bn (£18.7bn) compared with increases of $8.7bn in the fourthr quarter of last year and $3.8bn in the third quarter.

More than half of the increase in real GNP in the first quarter was due to stock building, Mr Feldstein said. He added that this pace was unsustainable and would ease in the second quarter.

Mr Feldstein estimated that final sales, a measure which strips out stock and reflects *demand pressures in the* economy, rose at an annual rate of 4.7 per cent in the first quarter compared with 4.9 per cent in the last three months of 1983.

Substantial increases in consumer spending, and spending on housing and non-residential construction also contributed to the first quarter growth.

How much of a slowdown is to be expected in the second quarter is hotly debated. Recent economic data have pointed to some easing in consumer spending and slower employment growth.

The pace of car production is also expected to slow because of retooling in part of the industry. Stock ratios in the corporate sector are still low by historical standards, but *many economists attribute this* to more efficient stock management as part of industry's efforts to increase efficiency.

Agreement close on Ambrosiano claims

By James Buxton in Rome

SETTLEMENT of the outstanding $600m (£423m) claims against the defunct Banco Ambrosiano appears close, after a draft agreement between creditors and the bank's liquidators.

The draft has to be approved by the approximately 120 banks involved, as well as by the Bank of Italy, the Italian Central Bank. Under it, creditors will receive about two-thirds of the sums claimed, so the liquidators will have to make a payment of about $400m.

The draft agreement was reached on Thursday after several days of talks in Milan between the steering committee of the creditor banks led by Midland and National Westminster banks and the liquidators. Although a few details remain to be agreed, the draft is expected to be sent out to the creditor banks soon.

The agreement envisages the liquidators completing the payments within a year from June 1984.

About $144m will be raised by the sale of the majority stake in the Lugano-based Banca del Gottardo to the Japanese bank, Sumitomo. The sale has already been agreed but it depends on an overall settlement of the Ambrosiano affair. About 52.67 per cent of Banca del Gottardo was held by Banco Ambrosiano holding of Luxembourg.

About $250m is expected to come via the liquidators from *the* Vatican, whose bank, Istituto Per Le Opere Di Religione directly or indirectly owned the dummy companies in Latin America and the Caribbean to which Banco Ambrosiano lent $1.3bn, much of it unrecovereable. The Vatican insists that its payment implies no admission of responsibility for the Ambrosiano crash.

Other funds will be raised by the liquidators from other assets of the old Banco Ambrosiano, which crashed in 1982 after the death of its chairman, Sig Roberto Calvi, who was found hanged under Blackfriars Bridge in London.

The settlement is conditional on the dropping of all legal actions and claims between the creditors and the liquidators.

Print unions to plan response to fines

BY DAVID BRINDLE, LABOUR STAFF

LEADERS OF the two biggest print trade unions will decide their next step this weekend after fines of £75,000 were imposed on each union by the High Court.

The fines, non-payment of which would provoke confrontation over the Employment Acts, were imposed on the National Graphical Association and on Sogat '82 on Thursday.

They related to contempt of earlier court orders requiring an end to occupation, by members of the unions, of part of the headquarters of Mr Robert Maxwell's British Printing and Communication Corporation

Mr Bill Keys, general secretary of Sogat '82, said yesterday: "We shall be trying and, hopefully, agreeing a policy that will apply to both unions."

Legal action was taken by Mr Maxwell, BPCC chairman, in an attempt to stop the sit-in on the fifth floor of his London headquarters. The occupation was begun on April 11 by some of the 87 employees of BPCC's Waterlow Securities Printers subsidiary which faces closure.

Injunctions were obtained under the Trespass Acts and the Employment Act 1980, outlawing the occupation and banning secondary action by union members working in the mail-room at BPCC headquarters and the Waterlow factory nearby.

On Thursday, six days after the injunctions were granted, Mr Justice Popplewell was told that the sit-in had not ended. He fined each union £75,000 for contempt.

Mr Keys yesterday met other principal officers of Sogat '82. Later he said he would confer at the weekend with members of the union's national executive and with Mr Tony Dubbins, NGA general secretary-elect.

Mr Keys said his union's policy of non-co-operation with the Employment Acts remained perfectly clear. Payment in February of a previous contempt fine of £10,000, imposed in the Radio Times dispute, had been a defensive mechanism to save 4,000 threatened jobs. It was in no way a precedent for payment in this instance.

He said the unions were prepared to negotiate with Mr Maxwell on the occupation at any time, on condition the injunctions were first withdrawn.

Mr Dubbins said the NGA would make no comment on the issue other than that a special meeting of the union's national executive would be held on Tuesday.

The occupation at BPCC headquarters was in progress last night. Mr Maxwell said that if it did not end by next Tuesday the company would have no option but to report the matter again to the court on Wednesday, the deadline for payment of the fines.

French group calls for more State aid

By David Housego in Paris

CREUSOT-LOIRE, the ailing engineering group, has asked the French Government for about FFr 3bn (£260m) in a new bid to stave off bankruptcy. The call for fresh funds comes only five months after the group obtained FFr 6bn in a rescue package—FFr 2.5bn of which came from the state.

Since that package was agreed the estimated size of Creusot-Loire's losses for 1983 have growth by FFr 400m to close on FFr 1.5bn. The group also forecasts further problems in the future, given the downturn in demand for capital equipment, the cuts in the French nuclear programme and the continuing drain on the group from its loss-making steel units which include Phoenix Steel in the U.S.

The worsening outlook for the company was conveyed to trade unions on Thursday by M Didier Pineau-Valencienne, chairman of Creusot-Loire and of its parent, the Empain-Schneider group. He told the unions the company needed a response from the government before its next board meeting on April 25.

Apart from fresh funds, Creusot-Loire is also seeking either to shed its remaining steel activities or a government commitment to provide them with similar aid to that given to the state-owned steel groups. Its two remaining steel subsidiaries are TFCM and Grosse Forge et la Fonderie du Creusot which employ 2,600 and have a combined turnover of FFr 1.4bn.

The additional FFr 3bn Creusot-Loire wants is equivalent to what the group claims it has "lost" on its steel activities between 1978 and 1983 as a result of not receiving government aid. In November the company sold a substantial part of its steel interests to Usinor and Sacilor—two state-owned groups.

The French government, which already faces difficulties in meeting the financial needs of nationalised industries, is expected to react coolly to Creusot-Loire's demands—even though it was warned at the time of the earlier rescue package that another FFr 2bn would be needed.

UK consumer spending shows first quarter fall

BY PHILIP STEPHENS

CONSUMER SPENDING in Britain fell by 1 per cent in the first three months of this year, the first drop since the beginning of 1982.

The fall, shown in preliminary estimates from the Central Statistical Office, largely reflects lower shop sales.

After a pre-Christmas spending surge, retail trade fell by 1½ per cent in the first quarter of 1984.

Retailers have blamed the slowdown on bad weather and the lateness of Easter, which they say has encouraged consumers to delay traditional spring purchases.

Most wholesalers and retailers expect business to pick up strongly this month, an impression confirmed by recent CBI/FT surveys of the distributive trades.

Consumer spending has so far proved the main impetus to economic recovery, with strong growth since 1982 boosted by buoyant real earnings and a run-down in savings.

The CSO said that the fall in retail sales was fairly evenly spread among most sectors.

Total spending was £36.3bn in the first quarter, down from £36.7bn in the last three months of 1983, but up from £35.5bn in the first quarter of 1983.

Foreign businessmen seek continued tax privileges

BY CHARLES BATCHELOR

LEADING FOREIGN chambers of commerce in Britain are stepping-up their campaign to persuade Mr Nigel Lawson, the Chancellor, to drop plans to end tax privileges enjoyed by foreign businessmen working in the UK.

The U.S. and Japanese chambers have in the past three days pointed out to the Chancellor the damaging effect his measures would have on foreign investment in the UK.

The Council of Foreign Chambers of Commerce in the UK, which groups 13 chambers from Europe, Scandinavia, Brazil, Japan and the U.S., plans to meet early next month and to pass on to the Chancellor its members' views, in the hope of changing the Finance Bill at the committee stage in Parliament.

Foreign businessmen now working in the UK for overseas companies receive 50 per cent tax relief on their salaries for the first nine years of their stay. This relief would be *abolished for new arrivals and* phased out for existing employees under the Budget proposals.

The Japanese Chamber of Commerce urged the Chancellor to drop what it called "an abrupt and very discouraging increase for Japanese enterprises in the costs of posting personnel to the UK."

According to one estimate, Japanese companies would face a 70 per cent rise in the cost of maintaining staff in Britain if they were to maintain take-home pay after the measures.

Mr Sozo Ohki, president of the Japanese chamber, argues that the tax changes could adversely affect sizeable Japanese investments in the UK.

More than 1,880 Japanese businessmen are employed in the services sector alone, including 471 in banking, 218 with securities companies and 444 with trading houses.

Mr Larry Branyan, chairman of the American Chamber's taxation committee, said the chamber was sending a seven-page letter to Chancellor pointing out the effect on the 15,000 or so Americans working in the UK. Many Americans are employed in North Sea oil production.

"Belgium attracted a large number of multinational companies but then they changed the rules very much as the Chancellor proposes. Ten years *later they looked around and* found there was nobody left." Mr Branyan said.

The foreign chambers warn the Chancellor that multinational companies which have set up European headquarters operations in the UK could very easily move them elsewhere in Europe, threatening thousands of jobs held by British employees.

THURSDAY'S CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES		
AMEC	240	+ 8
BL	65	+ 5
Body Shop New	195	+ 20
Collins (Wm) A	495	+ 20
Dura Mill	280	+ 165
Fortnum & Mason	£21	+ 4½
Halstead (J.)	80	+ 6
Leisuretime Intl	62	+ 10
Rentokil	136	+ 6
Rowntree Mackintosh	290	+ 4
Securiguard	152	+ 7
Smith Bros	108	+ 7
Websters	140	+ 10
Jackson Exploration	75	+ 8
Petranol New	318	+ 20
EZ Inds	375	+ 30
Leslie Gold	253	+ 14

FALLS		
Treas 11¾pc 1989	£102¾	− ⅛
Treas I.L. 2½pc 2016	£90¾	− ⅝
Barclays Bank	473	− 7
Benford Concrete	67	− 5
Christies Intl	396	− 10
Danks Gowerton	23	− 5
Hawker Siddeley	455	− 11
Henriques (A.)	39	− 9
ICI	606	− 10
TI	248	− 6
Eglinton Oil & Gas	135	− 7
Tricentrol	203	− 5
Ultramar	675	− 17

WORLDWIDE WEATHER

UK today: Changeable in the North with some rain. Dry and bright in the South. Warm.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	61	Corfu	F	17	63	Luxmbg	S	15	59	Peking	S	17	63
Algiers	S	20	68	Dallas†	C	19	66	Madeira	C	19	66	Perth	C	22	72
Amsdm.	F	16	61	Dublin	F	17	63	Madrid	S	21	70	Prague	S	14	57
Athens	F	15	59	Dbrvnk.	S	16	61	Majorca	F	19	66	Rykjvk.	C	3	37
Bahrain	S	30	86	Ednbgh.	F	15	59	Malaga	S	19	66	Rhodes	S	19	66
Barclna.	S	16	61	Faro	S	22	72	Malta	S	18	64	Rio J'o†		—	—
Beirut	S	20	68	Florence	S	18	64	M'chstr	C	15	59	Rome	S	18	64
Belfast	C	13	55	Frankft.	S	16	61	Melbne.	R	14	57	Salzbrg.	S	17	63
Belgrd.	S	15	59	Geneva	S	15	59	Mx. C.†		—	—	S'cisco†	F	9	48
Berlin	C	14	57	Gibrltr.	S	18	64	Miami†	S	21	70	Singapr.	F	33	91
Biarritz	S	23	73	Gl'sg'w	C	14	57	Milan	S	17	63	S'tiago†		—	—
Bmghm.	C	15	59	G'rnsey	S	13	55	Montrl.†	F	7	45	Stckhm.	R	7	45
Blackpl.	F	15	59	Helsinki	F	7	45	Moscow	F	8	46	Strsbg	S	17	63
Bombay	F	33	91	H Kong	C	22	72	Munich	S	15	59	Sydney	C	20	68
Bordx.	S	23	73	Innsbrk.	S	15	59	Nairobi		—	—	Tangier	S	21	70
Boulgn.	S	15	59	Invrnss.	C	13	55	Naples	S			Tel Aviv	S	24	75
Bristol	S	17	63	I.o.Mn	Fg	8	46	Nassau		—	—	Tenerife	F	21	70
Brussels	S	18	64	Istanbul	R	8	46	Nwcstl.	F	15	59	Tokyo	S	16	61
Budpst.	S	14	57	Jersey	S	16	61	N Delhi	S	33	91	T'r'nto†	C	6	43
Cairo	S	28	82	Jo'burg		—	—	N York†	F	9	48	Tunis	F	18	64
Cardiff	S	13	55	L. Plms.	F	21	70	Nice	S	16	61	Valncia	C	18	64
Cape T.	S	21	70	Lisbon	S	23	73	Nicosia	S	19	66	Venice	S	15	59
Chicg†	Fg	2	36	Locarno	S	17	63	Oporto	S	27	81	Vienna	S	13	55
Cologne	S	17	63	London	S	18	64	Oslo	C	6	43	Warsaw	S	12	54
Conhgn.	R	13	55	L. Ang†	F	13	55	Paris	S	19	66	Zurich	C	14	57

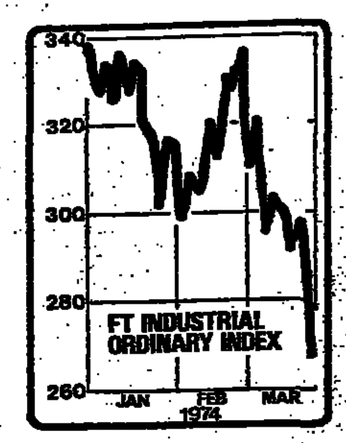
C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Mr Scargill keeps the City guessing

A Stock Exchange football XI managed to carry off one of the City's local sports trophies on Thursday afternoon without moving either of the goals. By seeming to shift the woodwork at both ends of the NCB pitch, however, Mr Scargill appeared by the market's close to have confused the position of the miners' strike yet again. A national ballot, depending on its outcome, might have swept aside most investors' fears or else changed the whole sentiment of the market overnight. The continuing campaign to close the pits in a manner less likely to precipitate wider industrial trouble—in the near term, at least—has by contrast left the City still undecided about the real gravity of the threat.

Index fell 8.6 to 880.0



Whatever the conflicting views in the dealing room, though, the research boffins are already hard at work on the potential impact of a full-blown strike and are busy drawing parallels with 1974. The coal traders and mining machinery engineers can expect a lot more attention from the analysts. Most have so far held up in the market, though Burnett and Hallamshire has slipped 25p on the week to 175p. Memories of the FT 30-Share's 1974 performance have been seeping back; but most studies of the two macroeconomic backgrounds have so far only underlined the contrast between them.

What the distributed and undistributed coal stocks statistics cannot reflect, anyway, is the difference separating the moods of the two periods. A decade ago the economy was slithering fast into recession. This week's strong figures from RMC and Hawker Siddeley underlined today's encouraging fundamentals. The market is now selling on an aggregate multiple of around 12 times, with a yield over 4 per cent, which looks far short of the 1972-3 bull market's peak. Bid speculation remains at a high level and the ICI chairman did his bit this week to keep buoyant dividend prospects dangling as enticingly as ever.

Still dangling less happily, of course, is Midland Bank's dividend—and, indeed, the general predicament of the banks. But initial reactions to this week's Bank of Scotland rights issue have been favourable enough.

Investment Trusts

Could U.S. investors fall for our investment trusts in the way they have for glamorous Glaxo or exciting ICI? Discounts on close-end funds, as the U.S. equivalents are known, have virtually vanished in the last year as buyers have bid up the shares. Now their attention is turning to the near 25 per cent average discount offered by UK trusts. Lazard Freres, the New York investment bank, has put together a $31m buying party to snap up trust shares.

Even the optimists cannot see discounts falling below 15 per cent, although that in itself would be enough to give a 13 per cent capital gain. Only two trusts have American Depositary Receipts facilities so far, another half-dozen or so are planning them and Globe is said to be thinking about a Big Board quote. But it all looks more of a marketing push from the trusts, rather than a pull from investors. Trades in the existing ADRs are few and price spreads are wide.

Dunlop

For the past few years Dunlop has been careering along a road on which the bends seem to have become tighter with every year as cash and equity rushed out of the balance sheet at least as fast as assets could be realised to finance the cost of staying in the race. This spiral must now be reaching its last stages, for while Dunlop has just achieved its first net inflow of cash for five years, and a pre-tax profit of £17m to boot, the balance sheet has clearly taken just about as much of a battering as it can stand.

Dunlop has recorded an attributable loss of £166m, knocking ordinary shareholders' funds down to a mere £110m. That compares with net debt in the balance sheet of £320m, and even including minority interests and preference capital as equity the overall gearing has reached about 130 per cent. Although this stands to be reduced when the cash comes in next year from Sumitomo—in exchange for Dunlop's cash-devouring tyre interests—Dunlop's finances are at present perhaps even more stretched than they look; for while the debts of Dunlop's French subsidiary were squeezed out of the group balance sheet when it went into receivership, they are bound to leak back in as the parent honours its guarantees.

With tyre losses no longer weighing on its revenue account, and profitable trading in its remaining activities, Dunlop is at least over the worst of its financial nightmare. Yet the devastation of its equity base has clearly reached the point where the company cannot go much further without a full-scale capital reconstruction; even if there may be something to look for in terms of continued asset disposal (perhaps by means of partial flotations) there is, after all, just not much left in the cupboard. The best conclusion to the "construction" work which Dunlop is doing with its bankers would be a retread for the balance sheet, converting some of the debt into equity, a dilution which existing shareholders must have reckoned on for quite some while.

Tradition

Although one idea behind the 1981 Companies Act was to make company accounts more informative, this has not worked out to everyone's satisfaction. Indeed, the need to dress up its figures in unfamiliar terminology has struck BTR as sufficiently absurd as to be worth ignoring — even, taking absurdity to its inevitable conclusion, at the price of an auditor's qualification to the group's otherwise spotless historic accounts. Not unreasonably, BTR thinks that sales should go on being called sales rather than turnover — or the next thing might be for salesmen to be called turnovermen.